

INSIDE: The life and times of rock star Bryan Adams

Maclean's

AUGUST 6, 1990

CANADA'S WEEKLY NEWSMAGAZINE

\$1.50

South Africa Under Siege

**The harsh new face
of the white regime**

**The black majority's
mounting defiance**

**The world debate
over sanctions**

**Funeral of black leader
in Cradock**



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Maclean's

AUGUST 3, 1985 VOL. 10 NO. 32



Rock Hudson and AIDS

By admitting that he has acquired immune deficiency syndrome, Hollywood star Rock Hudson drew worldwide attention to the frantic search for a cure. —Page 44



Rock's master of romance

With looks like the boy next door and a voice like the boy who broke in next door, Bryan Adams, now touring worldwide, has become a rock 'n' roll superstar. —Page 63

COVER

South Africa under siege

As South Africa's white regime declared a state of emergency and stepped up its harsh campaign against mounting defiance among the black majority, police arrested more than 1,000 opponents—and 36 died violently. The world reacted with renewed outrage against Pretoria's apartheid policies and many countries debated imposing sanctions. —Page 18

(COVER PHOTO: GUY LAWRENCE/STYLING)



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A new medicare debate

A legal challenge by the medical profession threatens to reopen the debate over whether all Canadians should have equal access to health services. —Page 10



Luring the Japanese

After months of pressure from Ottawa to convince Japanese auto-makers to invest in Canada, Toyota announced it will build a Canadian plant. —Page 32



The shame of Africa

France was the first to move against the South African government's self-proclaimed "state of emergency" and the chilling aftermath of mass arrests and violent deaths. The French withdrew their ambassador and began further involvement in a country whose harsh racist policies of apartheid against the black majority have been a blot on the face of the earth for almost four decades. But underlying the rest of the world's renewed outrage last week was a sad feeling of helplessness and resignation. Because South Africa is one of the richest and most self-supporting of all nations,



Kenya/Jomo Kenyatta

the imposition of economic sanctions or even to mean little to the white-supremacist government of President Pieter Botha. Indeed, even black South Africans seemed to accept the futility of meeting open war against their stubborn and powerful masters.

Western's Associate Editor Jomo Kenyatta, who oversaw the cover package, said "South Africa is not about to collapse into bloody revolution. What seems more likely is steadily increasing poverty and bloodshed. The Botha government faces an urgent choice: introduce radical reforms quickly or face the tragic consequences

of gradually spreading civil war." For his part, Senior Writer Robert Miller, who has written the three *Madison's* cover stories on Africa in the past eight months, set aside his customary editorial impartiality when he had completed this week's main cover story. Said Miller: "Over years, South Africa is ignoring its responsibilities to the community of man. It has done so ever since apartheid was imposed in 1948, principally because the system is shameful, inhuman and demeaning—not only to its victims but to its perpetrators. White South Africans know that. They simply prefer not to be reminded of it."

Kevin Dayle

Madison's Aug. 8, 1983

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Back to school

Isn't it a bit odd that entrepreneurs are making big money by teaching businessmen what they could have learned in any well-run Sunday school ("The corporate business," Cover, July 15)? The veterans left by the absence of any real veterans have to be filled with something! —TERRY OTT, Riva, Ont.

Arms and appeasement

Barbara Amiel's Column "Why appeasement will not work" (July 8) is simply atrocious. She claims that "the Soviet Union is perceived as being militarily stronger and politically tougher," and that many Canadians think "we must appease the Soviets to prevent war." Yet her examples of *The Globe and Mail's* John Sewall, film-maker Peter Watkins and senators of the Canadian government do not support this contention in the least. Sewall stated that the Soviet citizens he met are people with emotions and aspirations like the men and not businessmen (farage). Does this mean Sewall would rather "be used than dead"? Watkins' anti-filmatic films underscore the insanity of nuclear arms as a means for the United States and the Soviet Union to confront each other. What is wrong with peeling our own Western military "toes" in order instead of just learning the Soviet? Amiel's modified ideas are antiquated and dangerous to maintain in this nuclear age. —DAVID GORDON KARCHENSKI, Toronto

Barbara Amiel misses the point. She believes Canadians for being soft on



Corporate leader Murray Silver, money

communist and advocate Western strength to keep the beast at bay. But she fails to realize that the proliferation of nuclear weapons has changed the rules. No longer will arms buildup protect us from totalitarian aggression. Instead of relying on more weapons to protect the West, we should be trying to understand the thinking of the Soviets. Canadians are in a unique position to act as mediators to end this insane situation. —F.P. WILSON, Guelph, Ont.

How refreshing to find someone who thinks instead of creates! Please give this letter lady every encouragement, because I am sure she will be rewarded by the many rewards who would urge us to disarm rather than be prepared to defend our freedom. —A. H. MONTY, Woodstock, Ont.

The need for action

Congratulations to Denis Cohen for presenting a straightforward account of the Canada-United States free trade issue ("A plan on behalf of free trade," Column, July 15). It is time Canadians realize that free trade between Canada and the United States is crucial to Canada's future economic well-being. We must accept the fact that our own tariff barriers as well as providing U.S. protectionist sentiment are only hurting Canada in the long run. Most important, however, as Cohen points out, is that we act now, before the door to free trade slams shut. —MICHAEL A. KRAMER, Guelph, Ontario

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Most correspondence to *Let's Hear From You*, Maclean's magazine, Maclean's Publisher Bldg., 197 Bay St., Toronto Ont. M5T 1A7.

PASSAGES

REMEMBER Popular physicist Richard Feynman, 66, who made his quantum debate in San Francisco when he was 7, with a knockout he was seriously crippled 30 years ago by Queen Elizabeth II, in a ceremony at Buckingham Palace. Born in New York, Feynman became a naturalized British subject this year after living in England for more than 25 years. His new status allowed him to accept the British honor as well as retain his U.S. citizenship.

DEED First World War flying ace Tom Williams, 56, whose partially published diaries contain some of the most stirring accounts of sea-to-sea fighter flying; of cancer, in Woodstock, Ont. Born in Ipswich, Ont., Williams joined the British Royal Flying Corps in 1917, captured 14 kills and was shot down three times—once by German ace Manfred von Richthofen, known as the Red Baron. After the war Williams took up stunt flying and later became a bush pilot, flying tractor and a farmer. He held a pilot's license until he was 81.

DEED Canadian businessman and amateur sports promoter Harold Rex, 71, in Toronto's Wellesley Hospital. As chairman of the federal government's 1990s Task Force on Sports for Canadians, Rex made recommendations that set standards and led to the creation of such supervisory organizations as Sport Canada and the Coaching Association of Canada. An accountant by profession, Rex was also a business consultant and an active fund-raiser. He became a Member of the Order of Canada in 1976.

DEED The "Old Performer," Kay Kyser, 75, the swinging, band leader who inspired his band Kay Kyser's Rhythms of Musical Knowledge, of a heart attack, in Chapel Hill, N.C. A popular radio performer in the 1930s, Kyser also starred in movies and recorded such hit songs as "Praise the Lord and Pass the Amenities."

REED *Le Journal de Montreal* hockey columnist Ghislain Lussier, 38, whose ability to get exclusive stories made him the most widely read hockey journalist in Quebec, in a warplane accident on the road between Malabar and Repas, Que. A popular writer among his hockey subjects, Lussier had covered the Montreal Canadiens since 1969 and had translated Wayne Gretzky's autobiography into French.

RECOVERING Actor Benjamin (Starmey) Crutcher, 75, whose career includes a starring role as the telepathic cook in the film *The Shining*, from surgery because of a lung cancer, found to be inoperable, at a hospital in Los Angeles.

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CLOSE-UP: CLAIRE CULHANE

A crusader for convicts

A lifetime of crusading for unpopular causes has taught Claire Culhane, 66, how to deal with her critics. This spring, when the silver-haired grandmother took her latest campaign to Parliament Hill with a handful of other penal reform activists, she confronted an increasingly law-and-order-minded public mood with a demand that prisoners receive more civil

ree. Penitentiary prisoners, one a suicide, one a heart attack, while they were in segregation, it is a date few Canadians will mark. But Culhane, along with relatives of prisoners, lawyers, church and social workers—plus thousands of Canadians behind bars—will observe the day with fasting and vigils. The present typifies Culhane's attraction for controversy; at a time when polls indicate that 71 per cent of Canadians want capital punishment reinstated, she is a staunch abolitionist and argues that the prison system should be abolished except for psychopathic killers. —the Clifford Gossens, about one per cent of the prison population," as Culhane puts it out.

In place of prisons, she advocates that offenders be required to make direct contributions to their victims, and would even allow murderers to help support victims' families. Culhane has just published her second book on the correctional system, *Still Barred From Prison*.

Her radical views have made her an unpopular figure with police and penal officials alike. In British Columbia she has been barred from entering various jails at Kent, Vancouver, and at the B.C. Penitentiary.

Her radical views have made her an unpopular figure with police and penal officials alike. In British Columbia she has been barred from entering various jails at Kent, Vancouver, and at the B.C. Penitentiary. Culhane is an amazing influence on the inmate population here. "Advised former Liberal solicitor general Robert Kaplan, "She has a damn good head on her shoulders, and her representations on behalf of individual prisoners have had result. But the trouble is, Claire will not see the other point of view." For her part, Culhane easily attributes her uncompromising attitude to the manner in which she entered the world: "I was a breach birth," she said, "so I put my foot in it right from the start."

Claire Egan was born in Montreal in 1918 to a Russian Jewish immigrant family and says, "I was 18 before I learned that the French for 'Jew' was 'Juif' and not 'maudit Juif' (damned Jew)." As a precociously strong-willed youngster, she recalled, "The only religion my parents gave me, 'You fish for trephers, the table, or just plain fish, this book is a must.' PRS with a one or two year subscription.



Culhane: Shunned in the Commons, barred from jail

rights, preferably, heinous. Culhane recalls. "Whenever people told us we should shut up and be grateful to live in a country with so much freedom, I pointed out the death-sentence society came to an end from the Peace Tower and the East and West Blocks. Then I said, 'I'm Claire Culhane, and the cops have a file on me that goes back 30 years. Tomorrow, they are going to look at today's pictures and ask what you were doing talking to a subversive.'"

Now, in her crowded Vancouver apartment Culhane is tirelessly planning more visits to inmates of Canadian prisons and letters to politicians protesting against solitary confinement and involuntary transfers. As well, the women whom Canadian convicts have called "an angel" is preparing for her next big protest: Aug. 13, National Prison Day. That will be the 10th anniversary of the deaths of two Millba-

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A new challenge to medicare

Since its inception in 1966, Canada's federally backed medicare system has been considered a cornerstone of the nation's social security net, a guarantee that people need not face treatment or go without when sickness strikes. But it has often been a controversial and divisive issue as well. Now, federal departments of justice lawyers are preparing to defend medicare against a constitutional challenge that could reopen the often bitter debate over whether all Canadians should have equal access to health care—or whether the quality of medical care should be affected by a patient's ability to pay. The challenge, launched last month before the Supreme Court of Ontario, could lead into questions about the constitutionality of the Canada Health Act, passed by the former Liberal government 15 months ago to penalize provinces that permit extra-billing by doctors or impose user fees for such health services as home visits, hospital outpatient visits.

The legal challenge, in which Dr. James McPhie, a family physician in Richmond Hill, Ont., was joined by the 40,000-member Canadian Medical Association (CMA), claimed that the Canada Health Act violates freedoms guaranteed under Canada's 1982 Charter of Rights and Freedoms, as well as the constitutional division of powers between federal and provincial governments. But critics said the case was an attempt to preserve doctors' standing as Canada's highest-paid group at the expense of the poor.

The act at issue was passed in the face of fierce provincial opposition, but with the support of the federal Conservatives, then the parliamentary opposition—in April, 1984, during the dying weeks of then-prime minister Pierre Trudeau's Liberal government. The legislation emerged amid protests that the spreading practices of extra-billing and

user fees meant that patients were often paying a second time for health care that they were already financing through federal and provincial taxes or provincial insurance premiums. Ottawa is empowered to deduct from the health-care money it pays to the provinces \$1 for each dollar that physicians covered by medicare collect from patients in user fees or extra-billing. The purpose of

raised rates for their services have lost federal funding in amounts ranging from \$100,000 a month in Manitoba, where 57 doctors charge extra, to \$4.6 million a month in Ontario, where 1,500 of the province's 13,000 doctors charge patients more than the amounts covered under the province's medicare program.

At the same time, user fees for hospital beds and emergency ward treatment of up to \$15 a day per patient have so far led to penalties for four provinces. Since Ottawa's penalties took effect, federal money withheld has amounted to \$25.6 million in British Columbia, \$12.9 million in Alberta and \$14.4 million in Quebec.

As a way of attempting to persuade provinces to ban outright extra-billing, Ottawa has promised to return lost funding retroactively to provinces that set before April 1, 1985. Already, several provincial governments have responded to the carrot-and-stick tactic. Legislation due to be passed in Alberta allows work in both Manitoba and Saskatchewan will ban extra-billing by doctors in those provinces. And Ontario Premier David Peterson has promised to enact similar legislation in the fall if doctors do not voluntarily give up the practice.

While trying to force the provinces to get into line, Ottawa's pressure tactics present individual physicians with a hard decision: In the provinces where extra-billing is permitted—Ontario, New Brunswick and Alberta—doctors can choose to bill the medicare system for the basic cost of treatment and then charge the patient for an additional amount that the doctor wants to collect. In Alberta one doctor does so \$200 in advance for a therapeutic abortion from a patient on welfare, while in New Brunswick one doctor requires \$30 for a checkup for which medicare pays \$28. In Quebec, doctors may opt out of the medicare billing system for any patient or



McPhie in the Richmond Hill office, posing hard questions for doctors



Surgeons at work, hope a promise to return lost funding when holdout provinces fall into line

services, charging the patient directly. But once extra-billing is banned by provincial law, doctors must either bill within medicare rates, or no more, or opt out of the system entirely and bill all their patients directly for their total fees (although patients may in turn claim a portion of the fee from medicare), a practice that tends to force a doctor to rely for his income on a relatively small number of affluent patients.

Even though the CMA's McPhie has been an "opt-out" doctor since Ontario's medicare system was set up in 1979, he decided to challenge Ottawa's role in medical affairs because he resents government "creeping in to take control of the profession." In a statement of claims filed earlier this month before the Supreme Court of Ontario by McPhie and the CMA, the doctors argued that health is a provincial responsibility and charged Ottawa with encroaching its authority in setting conditions on medicare payments to provinces. They also claim that provincial laws that reflect the federal requirements violate the Canadian Charter of Rights and Freedoms by restricting the freedom of patients to choose their own doctors if some opt out of medicare and bill at higher rates. The challenge—which will almost certainly end up before the Supreme Court at Ottawa—says the federal and Ontario attorneys general are unconstitutional.

Physicians who support the challenge

argue that the professional and economic freedom of doctors and their patients is at stake. But critics of the medical establishment suspect that McPhie and the CMA have less lofty motives. The Medical Reform Group of Ontario, an organization of 150 doctors who oppose extra-billing, called the legal challenge "a waste of time and money," aimed at avoiding the vote of Parliament so that some doctors can earn more money. Indeed, the Ottawa-based "Innovative" did not receive widespread support from physicians in poorer areas.

Still, the constitutional challenge will be welcomed by governments in provinces where the Canada Health Act is viewed as an irritant. New Brunswick Finance Minister John Foster has refused to remove a 34-per-cent hospital user fee imposed in July, 1983, for which the province has so far forgone \$197 million under the Canada Health Act. Foster denies the fee has caused "displeasure" to health care in the province by discouraging people with trivial or coronary diseases from going to hospital. In Alberta, where about 25 per

cent of the province's 2,973 doctors extra-bill, Hospitals Minister David Russell last month defended the province's willingness to pay penalties of \$800,000 a month to protect their right to do so. Extra-billing, insisted Russell, "provides better health care than the assembly-line medicine we would get if it was totally banned."

But critics claim that the opposite is true, because extra-billing assures free access to the principle of universal access to health care for all Canadians. Patrick Johnston, executive director of the National Anti-Poverty Organization, charges that extra fees force many lower-income Canadians to forgo needed medical attention. In Alberta, Richard Poirier, a spokesman for the Consumers' Association of Canada, says that many doctors ignore ethical guidelines against extra-billing.

At last year's justice department lawyers went to work last week on a defense of Ottawa's right to penalize provinces for extra-billing, staff at McPhie's family clinic north of Toronto.

As for senior justice department lawyers went to work last week on a defense of Ottawa's right to penalize provinces for extra-billing, staff at McPhie's family clinic north of Toronto. As for his private patients, but just an hour's drive away, on a tree-lined half street in the corner of Toronto, Ont., another physician expressed concern about the possible consequences of McPhie's crusade. Said Dr. Robert J. Baker, who has written about the effects of medicine on a strictly user-pay basis when he worked at a clinic in St. Barbara, Ark., in 1979: "It tends to great injustices. The rich get good attention and the poor do not."

—CHERYL WOOD with PETER GARDNER in St. John's, MICHAEL BONE in Ottawa, NIKELI KROENKE in Toronto, GILBERT WARD in Winnipeg, and JAMES M. GORDON in St. Louis. PETER VAN DER ZEEBING in Melbourne and DAVID LUTCH in Vancouver



Warren and his new wife, Elizabeth increasingly at odds with the government

Michael Warren bows out

Like most weddings on their wedding day, Canada Post President Michael Warren wore a smile as he and his new wife, Elizabeth, emerged from an Ottawa courthouse after their brief civil wedding last week. But as the most new couple, the Warrens showed as interested in joining for pictures in the brilliant afternoon sun. Less than five hours earlier, Canada Post had officially announced that Warren planned to quit his job on Jan. 25. As a result, he had to bundle his bride past reporters who stalked out the wedding. Warren insisted that detailed explanations for his decision to leave the troubled Crown corporation would have to wait until after the couple's two-week honeymoon. "In the meantime," declared Warren, "my mind is on my marriage."

Warren's reticence, while understandable, did little to quell speculation that he is leaving his job, which pays more than \$260,000 annually, because of interference by the federal Conservative government in postal operations. The 46-year-old Warren may also have become frustrated by his inability to get his own way in the company, and to him by the former Liberal government, which turned the postal service into a

Crown corporation and made Warren president in October, 1981. Warren had a mandate to eliminate Canada Post's deficit—\$247 million in the past three years—by 1987, while improving postal services. But the corporation's revenues show a significant decline in on-time mail services, even though the price of a first-class stamp, which rose by two cents to 34 cents in June, has doubled within five years.

The conflicting demands to cut costs and improve service meant that Warren was increasingly at odds with the Mulroney government. Recently he had been unable to win approval from Revenue Minister Perrin Beatty, who is responsible for the post office, for a 1988-89 final plan designed to deal with the deficit problem. The appointment in June of a private-sector task force that will examine the corporation's basic responsibilities and structure may have been another factor in Warren's decision to leave.

Originally, news of Warren's resignation was to have been released after his marriage to Elizabeth Wynne, who is a marketing manager for a ski lodge north of Montreal. But when the news of his resignation was leaked, so too was the cause of political interference, postal of-

ficials released a two-paragraph statement saying that Warren was leaving "to pursue business opportunities in the private sector." Later the post office released a cordial exchange of letters, both dated that day, between Warren and Beatty. In his letter Warren wished the government luck "with the tough policy decisions that he asked." For his part, Beatty applauded Warren's role in the post office's "successful transformation" to a Crown corporation.

But Warren, a former chief general manager of the Toronto Transit Commission, had ample reason to be displeased with his role at the post office. He was upset by the intervention of the Prime Minister's Office and Beatty in the recruitment. In April of postal worker Judy's Warren, a Markham, Ont., postal worker who was fired in 1984 for leaking information on post office waste to the Conservatives when they were in opposition. Moreover, since the Warren took office under Prime Minister Brian Mulroney, Conservative criticism of the post office has continued unabated.

Others believed that Warren was a victim of the impossible demands of the government to slash spending while improving service. Jean-Claude Parrot, president of the 22,000-member Canadian Union of Postal Workers, said that it was "simply unrealistic" to expect Warren to erase the deficit within the next two years. For their part, some business leaders agreed that it is trying to trim the deficit. Warren refused too heavily on postal rate increases rather than taking the tougher course with the unions. The latest contract provides for an average increase in total benefits of three per cent over two years—and coming to grips with low productivity and an absenteeism rate that averages 17.4 per cent annually for each postal worker. But Marianne Antkowiak, national affairs director for the Canadian Federation of Independent Business: "We felt this was a case of mismanagement problems within Canada Post."

As the search for Warren's successor began, some critics might have feared that the new president might be a politically appointed hard-line intent on deficit busting. On the other hand, Antkowiak warned, it would be "unacceptable" for the government to use Warren's resignation to delay the seemingly insuperable goal of a profitable postal office.

Either way, the new head of the postal corporation faces the same likely and conflicting expectations that his predecessor failed to reach. And unlike Michael Warren, who enjoyed a period of grace with the advent of the new corporation, the rising mood of public and political discontent suggests that his predecessor is over the hill. —KEN MACQUEEN in Ottawa.

Ottawa's role in the investigation

The investigation into the June 23 crash of Air India Flight 332—and the loss of 295 people aboard—skilled from Bombay, India, back to the southwestern coast of Ireland last week. Following an international study in Bombay of voice tapes and data stored in the downed Boeing 747's flight recorder, Judge J.N. Kirpal, the Indian who is leading the investigation, planned to study wreckage recovered on the ocean surface and to decide whether efforts should be made to retrieve other parts of the plane from more than a mile beneath the Atlantic. In the meantime, Kirpal met with senior Canadian aviation and police officials who flew to Ireland in an attempt to smooth out frictions between the two sides and to ensure that Canadian investigators have full access to crash data. "The whole one is packed with horrifying journalistic problems," said a Canadian official. "And the answers will take time."

While Canadian and Indian officials conferred in the Irish port of Cork, the Canadian Coast Guard ship John Cabot, which has been at the crash site about 110 miles to the southwest for more than 30 days—at a cost to the Canadian government of about \$30,000 a day—displayed the Search II robot when it was an attempt to locate and photograph pieces of the Boeing's wreckage. Investigators have yet to determine whether a bomb caused the 747 to crash, but an earlier explosion expert flew from Cork to the John Cabot by helicopter last week and boarded the ship.

Kirpal decided to take his study back to Ireland when a five-day study in Bombay of data from the 747's "black box" flight recorder, which were recovered earlier from the wreckage, failed to provide any clear evidence of the cause of the crash. The aircraft's voice tape ended with an abrupt high-pitched noise. But the data recorder yielded computer printouts of 76 different types of flight information. In Ireland, investigators planned to attempt to be in contact with those flying by the aircraft wreckage and with further analysis of radio transmissions taped by the air traffic control centre at Ireland's Shannon Airport.

Before beginning that investigation, Kirpal met with a high-level Canadian delegation which flew from Ottawa to help coordinate the information exchange, including access to information from Indian investigators. Although Canadian officials joined Indian and U.S. counterparts in examining the flight recorder evidence in Bombay, Bernard Das-

chens, chairman of the Canadian Aviation Safety Board, told Montreal's that "there was some reservation on the part of some India investigators" in making certain information available to the Canadians. Although the downed aircraft was on a flight from Toronto and Mon-

tré, the Canadian Security Intelligence Service and police forces in Montreal, Ottawa, Toronto and Vancouver were involved, the most widely accepted view was that if a bomb had caused the 747 to crash it was probably planted by Sikh separatists. But authorities were also giving consideration to another, startling theory that a renegade group of Indian intelligence experts might have planted a bomb themselves in an effort to discredit militant Sikhs who are pressing for an independent state in India's Punjab region (see p. 26).



Spokesman R.K. Mochy: compassionate after the crash

tré with 279 Canadian citizens aboard when it went down, under international law the crash site is considered to be under Indian jurisdiction. Officials in Ottawa said that Canada wants printouts of the flight recorder data and an agreement to ensure that Canadian police and aviation investigators are kept up to date on the international inquiry.

Following his meeting with Kirpal, Daschens told his own legislative committee that Canada need not get what it wanted. According to Daschens, he and Kirpal agreed to continue to help Canadian officials in the Indian government's inquiry, and on the gathering of

evidence about the crash in Canada. While experts in Ireland pressed their search into the cause of the crash, Canada, India, U.S. and Irish police continued to investigate the possibility that Flight 332 may have crashed on the coast of southern Canada, where the result of substance in Canada, where the security, the Canadian Security Intelligence Service and police forces in Montreal, Ottawa, Toronto and Vancouver were involved, the most widely accepted view was that if a bomb had caused the 747 to crash it was probably planted by Sikh separatists. But authorities were also giving consideration to another, startling theory that a renegade group of Indian intelligence experts might have planted a bomb themselves in an effort to discredit militant Sikhs who are pressing for an independent state in India's Punjab region (see p. 26).

In Ottawa, Prime Minister Brian Mulroney's government last week attempted to console and reassure relatives of the Canadian crash victims. A group of 22 family members, including leaders of Hindu and Sikh religious groups, gathered with federal officials to help recover the bodies of more than 200 the victims—many of Indian descent—that have yet to be found. Federal officials ac-

cepted that recovery may be impossible because of the depth of the water, the lack of precise location and the presence of sharks, and told the delegation that Ottawa would contribute to the erection of a monument proposed by Irish authorities to the dead on the Irish coast. "We wanted to give these compensation and sympathy," an official in the Prime Minister's Office explained, "and we wanted to give them our assistance rather than a monetary compensation."

—MARTY JENKINS in Toronto, with IRENE GIBSON and KATEY LLOYD in Ottawa and PHELI WINSLOW in London.

Devine confronts his party's troubles

During the last Saskatchewan election campaign in April, 1983, Conservative Leader Grant Devine ridiculed then-premier Allan Blakeney's New Democratic Party government—which insisted that the province was riding almost unscathed through the recession of that year—by asking voters: "Where's the prosperity? Where's the money in your jeans? Now three years after the last-lease election, victory that made Devine premier, his own administration is in trouble because of economic hard times, with unemployment rising and southern Saskatchewan farmland in the grip of a crippling drought. Devine is now having second thoughts about the election that he had been expected to call next spring. In the latest assessment of Ernest Ross, who serves near Gravelbourg, about 100 km south of Moose Jaw, Devine's government is "going to have a hell of a time surviving if they start moving their butts."

In an obvious attempt to repair some of the political damage, Devine last week mounted up a two-week tour aboard a rented Ford van equipped with a kitchen and office that took him to herbaceous, canal, political meetings and hand-shaking strolls along main streets across the province. Devine, 41, an ambitious social-science-turned politician who has made national headlines, listened to the problems of hard-pressed farmers and insisted that his government was still the best hope for the future. Devine got a warm reception in the south Saskatchewan community of Jansen, where he, seven weeks ago with the announcement of a \$40-a-head cash grant for cattlefeed badly hit by drought and generous additions to the province's crop insurance program. He told an audience at Eastland, in the province's drought-stricken southwest, "I know what it is not to have a crop and have the banks tell you, 'Look, boy, you

can't make your payments.' I can't make it now, but I can help provide feed, and I can provide whatever is needed."

Despite that, there are signs that a steep decline in popularity has set in for a party that in 1982 decisively put an end to 31 years of NRC rule (standings in the 66-seat legislature, which rose for its

per cent supported the provincial Liberals, while a total of 53 1 per cent were either undecided or would not say which party they supported. Noted Conservative Track president Larry Ellis: "Everything has gone with a bang."

Devine's Conservatives have also suffered from a rash of political embarrassments and defections. Last year renegade Tory William Swenson crossed the floor of the legislature to sit briefly as a Liberal and then as an independent. Another Tory, Regina M.A. Hans Ratz, quit the legislature for human reasons in April. A more serious blow came in March when a by-election was held in the sprawling north riding of Thunder Creek, which was declared vacant last year after Colin Thatcher, a former Devine cabinet minister, was convicted in the murder of his wife and sentenced to life in prison. Although the Tories held on to the riding, their support declined to 46 per cent of the vote from 61.7 in 1982, with Liberal support rising to 52.1 per cent of the vote from only 31.1 per cent in the last election. Another setback came last month when Prince Albert M.A. Paul Meagher declared he would not run for the Conservatives again, and expressed uneasiness with the Devine government's lack of "realist-conservative" policies.

The evidence of the slippage in Progressive Conservative fortunes was clear in the second NRC under Blakeney, 90, who appears to have slanted polls that he gave way to a younger leader. "There has been a massive loss of PC support," said Blakeney's cronies. "It's a case of a large undecided vote that is there to be lost." As well, political observers believe that a resurgence by the Liberals under Ralph Goodale, the former member of Parliament who took over as party leader just before the last provincial election, could capture the confidence of Tory and Liberal voters that brought the Conservatives to power. With former

prime minister Pierre Trudeau gone from the national scene, and Brian Mulroney's Conservatives in office, Devine no longer can rely on "Ted-baiting" to attract voters with Social Conservatives. But Devine, 41, Devine's principal strategy: "We want governments to get on with the job of solving problems."

Devine's Tories have sought to do that by steering a cautiously moderate course. Despite his reputation, the Tories would dismantle social programs, the Conservatives have only tinkered with details, welfare payments for single "employable" people were cut back, while payments to needy families were increased. The Tories also largely left in place the penalty of 24 provincial Crown corporations inherited from the NRC, although they eliminated three minor corporations and sharply curtailed the activities of the Saskatchewan Oil & Gas Corp. to allow more scope for private petroleum companies.

If that middle-of-the-road approach helped to forestall an anti-Conservative backlash, other issues have surfaced with voters. Though Devine's government made good in a key election promise by eliminating the NRC's 30 per cent gasoline tax—a cost to the provincial treasury of \$548 million in 1982—Regina has been imposed or extended expensive amounts of taxes, including a five-per-cent tax on used motor vehicles.

Even more damaging for Devine, the provincial economy has not gained strength despite tax breaks for industry and four successive Tory budgets that have trimmed the provincial deficit by billions. From a \$138-million surplus when Devine was elected, the farm economy shaken by two successive years of drought and the province's jobless industry languishing under the impact of low world prices, unemployment rose in Saskatchewan in June to seven per cent (56,000 people). That is still the lowest provincial unemployment rate in the country, but well above the 4.1 per cent in the closing months of NRC rule.

Even though Devine could wait until April, 1987, to call an election, the premier as recently as last month insisted that "we are operating this government as a four-year term, and I think that, right, the political timetable would persuade the premier to delay the election beyond next spring in the hope of an economic upturn. When he does decide to go to the polls, Devine's Tories could still find themselves in trouble. Kim Wakeham of Regina's Daily Researcher, which carries out local polling for the Tories, notes that Saskatchewan has "a very demanding type of electorate." And it is by no means clear that Devine's Tories will be able to fill the shoes of these experienced and tenacious politicians called "non-volatile" comes around.

—DALE EMMETT in Regina

An official's dismissal

Indian leaders reacted with fury and Prime Minister Brian Mulroney's government suffered some embarrassment last spring when proposals for a greater role for Indians in the responsibility for Canada's native people landed in opposition politicians and the press. Mulroney's Conservatives, then, the beneficiaries of linked government.

Indian leaders reacted with fury and Prime Minister Brian Mulroney's government suffered some embarrassment last spring when proposals for a greater role for Indians in the responsibility for Canada's native people landed in opposition politicians and the press. Mulroney's Conservatives, then, the beneficiaries of linked government.

When he appeared in a Vancouver courtroom, Price was charged with turning over the classified information to one of his former instructors, Vancouver theology professor Terry Anderson. Price though Price has not yet been formally charged, an Indian Affairs spokesman revealed that Price was fired from his job last week.

Price's case raised disturbing questions about the secret treatment accorded civil servants who choose to expose government policy plans by leaking information to outsiders. In a case that defied to the Prime Minister's protection, Mulroney's office in April intervened to have postal worker Adeline Varma—who was fired in June, 1983, for leaking confidential information to the opposition Conservatives—reinstated by the postal service. In an earlier case, Walter Radzicko, who was fired in 1973 from his job as a senior policy adviser with Central Mortgage and Housing Corp. for allegedly showing a cabinet document to nature leaders, was subsequently awarded \$100,000 in damages (The Star, Sept. 10, 1983) and the Indian Affairs department—where, until last week, he was Price's immediate superior. The NRC's firing, denouncing the government's "maximum approach" last week, said that it meant "a new kind of security coming down from the Mulroney administration quite different from what we heard from the Prime Minister during last summer's election campaign about 'open government'."

—GREG WOOD with TERRY HARGREAVES in Ottawa



The premier campaigning in Saskatchewan's political embarrasements



Falton condemning the 'new cloak of secrecy'



Gallant at Georgetown Harbour. Environment Canada plans to move the PCBs

A town that demanded answers

It was a sunny July day in the picturesque harbor community of Georgetown, P.E.I., half an hour's drive east of Charlottetown. Children frolicked in the warm water while fishing boats glided by. But town councillor Michael Gallant, as he later explained, felt apprehensive as he watched a dredger digging in the bay, 150 yards offshore. Other residents of the 700-member community shared his concern. At first, provincial and federal government officials refused to answer their questions. Then, finally, the facts emerged. Environment Canada's environmental protection service admitted that it had found sludge contaminated with polychlorinated biphenyls (PCBs) near the remains of the town's old wharf, which was destroyed by fire in 1963, and now planned to move the sludge 200 yards and bury it in the harbor.

So are you aware the contaminant sludge came from. One theory was that the chemical—once widely used as a coolant in electrical equipment but now regarded as potentially dangerous to humans—had leaked from a ship's generators, or from faulty electrical transformers. What was known was that about 4,350 cubic yards of the sludge was contaminated by PCBs, with five per cent of it containing concentrations in concentrations of about 0.1 parts per million, exceeding the limit considered safe. When Environment Canada said that it planned to bury the sludge in Georgetown Harbour, with only a layer of clean

sediment covering it, the townspeople were furious. "The public has a right to know," snapped Gallant, "because people have a general fear of the unknown. And that is exactly what this is."

Federal officials responded by attending a packed town council meeting and holding talks with municipal officials at which they argued that the burial place was the safest and cheapest solution to the problem. But as criticism of the plan became more heated, the renegeing critics complained that town officials were won over by warnings that opposition to the scheme could delay construction of a new \$6-million wharf. An editorial in the weekly *Montserrat Eastern Gazette* called that "a subtle form of blackmail." For his part, former Georgetown mayor Charles Martel remained unconvinced that the problem had been solved. "There's no guarantee being given yet that we are going to get rid of this problem. You get suspicious when you hear about things this way."

In the meantime, Roger Percy, an Environment Canada official in Dartmouth, belatedly indicated that his department may have learned a useful lesson from the episode. Environment Canada, said Percy, is now considering a "more open policy toward public disclosure when PCBs are found, even in small quantities." Despite the reassurances, there were no children swimming in the waters of Georgetown Harbour last week.

—BARBARA MCANEREN in Charlottetown

Canada expels a shadowy man

As assistant trade commissioner at the Bulgarian consulate general in Toronto, Radoslav Delibaltov's official responsibilities were modest enough. He helped to encourage Bulgaria's meagre trade with Canada, fostering import markets for such in-demand products as clothing, yarns and jellies, fruit and cheese. But with Bulgarian exports to Canada last year worth only \$6.4 million, the low-profile trade commissioner apparently had more than enough time for a shadowy, unofficial occupation: that of a spy. Last week Delibaltov became the first foreign diplomat to be expelled from Canada as a result of the work of the 12-month-old civilian Canadian Security Intelligence Service (CSIS).

In the diplomatic language of an external affairs department statement last week, Delibaltov, currently on leave in Bulgaria, was declared persona non grata and therefore barred from returning to Canada because of "activities related to the collection of information in which Mr. Delibaltov did not have authorized access." Security officials refused to reveal what kind of information Delibaltov sought during his year in 18 months in Canada. But Bulgarian diplomats abroad are known to have a prodigious appetite for classified data on weapons and other high-technology equipment. Bulgaria's security forces in known to have strong links with its Soviet counterpart, the KGB. In 1983 a Bulgarian trade official was arrested in the United States and imprisoned for trying to buy information on nuclear-weapon procedures, and another Bulgarian diplomat fled Japan last year after an investigation was launched into his activities. More recently, Bulgarian officials have been implicated by Montreal *All Ages*, currently on trial in Rome for the attempted assassination of Pope John Paul II (Maclean's, June 10). Security analysts noted that Bulgarian intelligence customarily places its spies in newly embassy positions like Delibaltov's.

Delibaltov was believed to be the first Bulgarian diplomat to be expelled from Canada. But he is among more than 60 foreigners who have been ordered out of Canada for spying since the Second World War. The vast majority of those were Soviet, including the largest expulsion of 13 embassy staff in 1976 after an investigation by the former secret Security Service, which was responsible for counterintelligence before the creation of the CSIS last year.

—KEN MACQUEEN in Ottawa



**THE DARK TASTE
THAT ECLIPSES EVERYTHING.
BACARDI DARK RUM.**

A RICH CARIBBEAN TASTE WITH THE SMOOTHNESS OF BACARDI



WORLD/COVER

South Africa Under Siege

The arrests, the death toll and the counter-demonstrations mounted steadily last week—and so did the world's outrage. But the South African government of President P. W. Botha pressed ahead relentlessly with its crackdown on black dissidents. Having declared a state of emergency on July 28, Botha appeared determined to break a 10-month cycle of escalating violence among black South Africans increasing by leaps over their lack of political rights and their wretched economic status. Last week security forces swept through 36 townships in Cape Province and the Johannesburg region. Traveling in armored personnel carriers known as "bogos," police rounded up more than 1,000 opponents of the regime. Altogether, 16 died during the emergency's first week, the majority killed by police bullets fired into stone-throwing mobs. And although the government remained firmly in control, its already tarnished reputation was shattered abroad and shaken at home. Said the liberal Cape Times newspaper, itself subject to the regime's oppressive legislation: "The situation is just about as bad as it could be."

Botha's decision to impose emergency rule on his turbulent nation is reflected much of the world, already in anguish over black Africa's chronic hunger and grinding debt. And the looming prospect of international sanctions threatened to destabilize further the shaky South African economy, which is languishing in deep recession with an annual inflation rate of 16 per cent and official unemployment standing at 9.8 per cent (an estimated 26 per cent among blacks). But Botha, who acted in the face of near-insurrection among many of the country's 20 million blacks, was overconfident. As a French-led storm of international protest gathered strength (page 22), the South African leader vainly maintained that he had acted to frustrate a Communist-inspired plot "to disrupt the normal life of black communities." He added that foreign governments could not dictate "what is in the best interests of the people of South Africa."

Meanwhile, it was the second formal state of emergency declared in South Africa since the ruling National Party introduced apartheid—the country's widely reviled system of racial segregation—in 1948. Under its provisions, security forces acquired almost unfettered

powers of search, seizure and arrest. Persons convicted of defying the emergency regulations were subject to 16-year prison terms and fines of as much as \$15,000. In 1960, 11,500 South Africans were arrested during a 156-day emergency imposed to avert rioting after the Sharpeville massacre, in which police shot and killed 69 blacks during a demonstration against the country's notorious pass laws.

Even before Botha's emergency declaration, South Africa's security forces operated with draconian powers (page 25). Still, the president's action damaged South African churches and civil libertarians, as well as members of the United Democratic Front (UDF), an anti-apartheid umbrella organization that claims a membership of two million. Said the Defense Parents Support Committee (DPSC), a civil rights group established to monitor detentions under the country's Internal Security Act: "We fear, and predict, the inevitability of deaths in detention." Added a distraught Beyer Moutse, 69, an Afrikaner who serves as general secretary of the South African Council of Churches: "The awful bloodbath is upon us."

Although it unleashed a predictable

furor, Botha's decision amounted to a carefully calculated risk. His intention to reassert his political authority among the country's 4.6-million white minority. In Johannesburg, Moutse's has learned that the president decided to take the drastic step of declaring an emergency shortly after he received results of an opinion poll commissioned by the National Party. The poll showed a sharp rise in dissatisfaction among the government's Afrikaner supporters, chiefly because of its failure to quell black unrest.

Playing hide: Ironically, Buthe's government inadvertently helped trigger the crisis last September when it promulgated a new "reform" constitution that gave limited political power to the country's colored (mixed-race) citizens while still denying the vote to the black majority. Since then more than 450 blacks have died in a rising tide of violence in which dissidents demonstrated much of their wrath against other blacks responsible for administering apartheid at the local level. Mobs have attacked 120 black local councilors, five of them fatally, and fires have leveled 76 of the so-called collaborators' homes. Throughout the upheaval, at least nine whites—including local supporters of Buthe's National Party—have viewed the violence as an intolerable challenge to the system that guarantees their comfortable place in

the sun. A 1984 study funded by the Carnegie Corp. of New York found that although most of the country's blacks submit under typical Third World conditions, white South Africans enjoy a living standard comparable to that of North Americans and Scandinavians.

Botha also faced criticism from such opponents as Andries P. Treurnicht, leader of the far-right Conservative Party, and Frederick van Riel Slubbart, head of the opposition Progressive Federal Party. Angered by the constitutional changes, Treurnicht has attacked Botha as a dangerous reformer who is subservient to foreign opinion. Slubbart condemned the state of emergency, declaring, "What was supposed to be the beginning of an era of negotiation and consensus politics has seen us drift steadily into the present state of senility."

The emergency declaration brought a protest response from the cold leadership of the banned African National Congress (ANC), which called upon black South Africans to mount a general uprising against apartheid. In a broadcast from Lusaka, the ANC's Oliver Tambo urged the spread of demonstrations to the prosperous white-controlled districts, which remained largely insulated from the turmoil. Said Tambo: "All our people must be mobilized." But the prospect of full-scale revolution—long predicted as

South Africa's probable fate—remained remote, partly because demonstrators' sticks and stones were no match for the security forces' automatic weapons.

Still, the dissidents' boldness was unprecedented. Just hours before Buthe announced emergency rule, members at a funeral for four slain activists in the east Cape community of Cradock waved the red banners of the outlawed South African Communist Party. And a few carried placards demanding that the ANC's exiled leadership begin supplying them with weapons, including bazookas and Soviet-built AT-47 assault rifles. Read one placard: "We are ready."

Rebukes: The acts of defiance imparted a chilling message to whites who later saw the scenes on the state-owned television system, which chose to follow Botha's announcement with footage of the Cradock funeral. Even more chilling was the same program's coverage of the sewage boiling and burning of a black woman suspected of being a police informer. Editors jumped over her slaying—in a town 60 miles to the north of Cradock—with pictures of the funeral. But it nevertheless prompted widespread revulsion and led to a ringing rebuke from South Africa's most prominent civil rights advocate—Anglican Bishop Desmond Tutu, who denounced such atrocities as a damnable to the cause of freedom. "Millions of people support our struggle," he said, "but when they see that on television many are killed, if these people can do things like that, they are not ready for freedom." —Added



Buthe, calculated risk

Waters burning a car in KwaZulu (left)

Tutu last week in KwaZulu; Blacks beating a woman at Dushane; Nature



Young men and supporters with banners (right) of Credence favored acts of defiance, grave provocations

Tutu, who won the Nobel Peace Prize last year for his opposition to apartheid "if that happens again I am going to collect my family and leave this country that I love passionately."

Credence: If only because of his international prominence, Tutu seemed likely to avoid being arrested in the security crackdown. But there was little doubt that Botha is rarely outwitted by Tutu. A commentator on the state-owned radio network, which often rebuts government opinion, criticized Tutu, the Council of Churches' Naude and Rev. Allan Boesak, president of the World Alliance of Reformed Churches, for their support of the dissidents. Among those seized by police were several less prominent clergymen, as well as union leaders, teachers and members of the umbrella UDF organization. Only four of the first 443 arrested were whites. One of the four was civil rights activist Motlwa Blackman of Port Elizabeth. She was seized barely an hour before she was scheduled to meet former U.S. secretary of state Cyrus Vance and former defense secretary Robert McNamara, members of a fact-finding panel touring South Africa for the Ford Foundation. Under the emergency regulations all could be detained indefinitely, without access to family or legal counsel. According to the press, at least 18 persons detained under security laws have died since 1977, when the prison death of a chained and beaten Steve Biko, a black activist, provoked an international protest.

Lexington in the background of the crisis was the outlawed ANC, the protest

force in the black South African nationalist cause. The ANC is supported by most independent black African countries. And its military arm—Umkhonto we Sizwe (Spear of the Nation)—has waged intermittent guerrilla warfare against the Pretoria administration from bases in Zambia and Mozambique. But South Africa's security forces, the majority of them black, are increasingly better equipped and better trained.

Still, the ANC has mounted a series of sabotage operations against government installations. Founded in 1929, the ANC was outlawed during the 1960 Sharpeville emergency. Its leader, Nelson Mandela, a former advocate of nonviolence, was convicted of sabotage and jailed for life in 1964. Mandela, who married his 67th birthday on July 18, remains in custody in Pollsmoor Prison, a maximum-security facility near Cape Town, after having served almost 30 years in the Alcatraz-like maximum security prison on Robben Island. Last week the Pretoria government ignored international demands, including one from British Foreign Secretary Sir Geoffrey Howe, for Mandela's release. In fact, Botha assured to free Mandela in January if he would renounce violence. Mandela declined, in part perhaps because he feared that such a pledge would divide the ANC. Instead, he demanded that Botha legalize the ANC and release other political



prisoners. Mandela's 29-year-old daughter, Zindzi, told a rally in February "My father says 'I cannot and will not give up undertaking at a time when I and you, the people, are not free. Your freedom and mine cannot be separated.'"

With support for the ANC building, the Botha government banned a belated celebration of Mandela's birthday that had been planned for July 28 in a Soweto township stadium. Soweto is the teen-



Boesak: angry clergy

tion protest party jobs." **Demerits:** While the regime launched a propaganda drive in the black townships, it also sought to downplay international reaction. Foreign Minister Riekse of "Pretoria" Botha, no relation to President Botha, accused the Western media of publicity in portraying the regime's opponents as dema-



Authorities arrest a protester in Johannesburg (right); students detain police without access to family or legal counsel

crats. Instead, he declared, the dissidents were intent on imposing a Marxist regime. Said Botha: "Their objective is to emotionally wring the international community against the government with the aim of the total isolation of South Africa."

Shrug: Later in the week it was clear that Pretoria had been stung by the French decision to halt new investment in South Africa and to recall its ambassador, and a United Nations Security

council instead, he declared, the dissidents were intent on imposing a Marxist regime. Said Botha: "Their objective is to emotionally wring the international community against the government with the aim of the total isolation of South Africa."

South Africa is the economic superpower of the African continent. It is blessed with vast gold reserves, diamonds, agricultural self-sufficiency, a thriving coal- and nuclear-based energy sector and a mature industrial complex. And even though its economy is in the

throes of the worst recession in a half-century, it remains one of the world's richest nations. But according to the Carnegie Corp. study, South Africa's wealth is increasingly concentrated in white-dominated urban areas at the expense of the black-dominated countryside. Although the study found that many coloreds—and some urban blacks—are prospering along with the whites, the gap between well-to-do and desperately poor is increasing. Said study director Francis Wilson: "A substantial group of blacks has been cut off from access to the economy, and for them life is getting very much harder."

One result has been that growing economic disparity has helped to foment political unrest which, in turn, has helped to undermine further South Africa's relations with the rest of the world. And

the current crisis posed a new problem for the regime. The UDF is a loose alliance of more than 600 labor unions, sports and student bodies and church and community organizations. All of them broadly subscribe to a declaration of original ideas called the "Freedom Charter," drafted by a "Congress of the People" which Mandela's ANC co-chaired in 1955.

Too many: But the UDF's lack of structure is part of its strength. During the past eight months the security police have arrested 36 top UDF leaders and charged them with treason. But unlike the incarceration of the ANC leadership 32 years ago, the latest crackdown on the UDF high command has not stopped dissent. Said one UDF leader, who is still at large: "It is like removing a tree and leaving the structure intact." Dissent is being organized by hundreds of groups in cities and towns throughout the country. To stop it completely, police would have to make a massive number of arrests. And so far as those leaders could be rounded up, new ones seemed certain to replace them. During demonstrations in the black townships, the young participants have repeated a self-censoring chant: "They may shoot some of us, but they can't shoot us all—we are too many." Botha and his police may yet discover that the same attitude is pervasive among South Africa's community leaders as the security crackdown continues.

—BRIAN NELLE, with ALLISTER SPAINES in Johannesburg and WILLIAM LANTIER in Washington



Anti-apartheid demonstrators before arrest: boldness

Council resolution calling for voluntary economic sanctions against Pretoria. Foreign Minister Riekse declared, "By withdrawing you make your involvement a problem less, and you weaken your influence." The French action—many U.S. and Canadian companies had long since embarked on a South African "divestment" program—and



The world reacts to the crackdown

Since the outside world became aware of apartheid almost four decades ago and learned to abhor the practice of constitutional government based on race, each fresh assault by South African white rulers on the lives and civil rights of their non-white subjects has drawn censure from the community of nations. Often the demonstrations have been little more than polite reproach. But last week Pretoria, cornered and alone, heard the rumblings of a surge from abroad as well as at home.

Threatening. While France led the way by recalling its ambassador and banning further French investment—the first such sanction by a Western power—the chorus of condemnation from others was both correlative and threatening. Commonwealth Secretary-General Ramesh Swamy, calling the South African government a “terrorist organization,” urged concerted economic sanctions. In Brussels, European Community ministers discussed an essential economic blockade, but only in the interim set up for an unusually tough statement calling for sweeping reforms. At the United Nations, Britain and the United States vetoed a measure in the Security Council that would have led to mandatory sanctions if Pretoria failed to retreat from its racist regulations. But the Council voted 12-6, with the British and Americans abstaining, to urge all states to apply voluntary sanctions. Said French Ambassador Claude de Kersaint: “We let us hope this warning will be heeded.”

Pretoria elsewhere carried explicit demands and heightened warnings. Although Prime Minister Margaret Thatcher rejected sanctions, the government called for the release of Nelson Mandela, the black leader imprisoned for more than 20 years. The global cries reached as far as the arid sports stadiums, where fans at a track meet featuring South African-born runner Zola

Said raised a sign reading “Edinburgh against apartheid.” But the South African remained unmoved. Said Pretoria’s delegate to the UN, Kurt von Schröder: “Nothing this council may say or believe will deter us.”

If its critics agreed that South Africa

has California race, the White House issued an unequivocal statement calling for an immediate end to the state of emergency and asserting that “a lasting peace will take hold only when apartheid is dismantled.” Said presidential spokesman Larry Speakes: “We



Feminist writer Gloria Steinem under arrest during protests in Washington disavowing

want to be made to reform its white supremacist policies, they were divided as the wisdom and efficacy of economic sanctions. Nowhere was this division more evident than in the United States, which has an important economic and strategic stake in South Africa and a potentially the leading influence on the white-ruled nation. The Reagan administration bowed to its position that lines of “constructive engagement” with South Africa must be kept open. But congressional leaders bargained over the final draft of a stern bill—opposed by Reagan—that would ban new bank loans and investments, prohibit the export of computers and machine hardware and stop the import of South African gold coins.

Emergency. At week's end, Reagan administration officials met to draw up a list of options requested by the President to isolate South Africa in much the way from apartheid. As well, as Reagan left for a recuperative vacation at

what the state of emergency removed.” But the White House was torn between the moral imperative that apartheid must be opposed and the political conviction that South Africa has economic and strategic importance. US business has \$2.6 billion invested in the country—10 times the Canadian figure. When loans and stockholdings are taken into account, American investments total \$26 billion. South Africa, moreover, has vast reserves of rare strategic minerals—89 per cent of the platinum in the noncommunist world, 44 per cent of the chromium, 35 per cent of the manganese and vast reserves of uranium and vanadium. Its position on the southern tip of Africa dominates a vital east-west sea lane. And Washington believes that Pretoria acts as a bulwark against rising Soviet influence in southern Africa. Said a state department spokesman: “The Soviets want to be in a position to exploit the opportunity in the event that South Africa falls apart.”

These are 29 Canadian enterprises that own subsidiaries in South Africa with a book value of \$242 million—and the government is torn by the same strategics. However, Ottawa has sent strong messages of rebuke ever since Prime Minister John Diefenbaker helped engineer South Africa's exit from the Commonwealth in 1961. Last month External Affairs Minister Joe Clark announced a 13-point package of trade and political restrictions. Speaking of the “rising tide of repression in Canada and elsewhere,” Clark said the time had come for “basic change” in

ap-apartheid. Following the imposition of harsh emergency rule in South Africa, and after criticism by other Western governments, Ottawa issued a diplomatic warning to Pretoria last week calling on it to “break the cycle of violence and abandon repression” of the black majority. And in an interview

with The Toronto Star, Canadian Ambassador to the United Nations Stephen Lewis warned that “time is running out” for South Africa. “Now there is real desperation,” he said. “The extent of repression invites further violence.”

For Maurice Sarré, husband of Gov.-Gen. Jeanne Sauvé, the force over South Africa developed into a peculiar personal embarrassment. Last week Sarré abruptly resigned his position as vice-chairman and director of the Canadian South African Society, a South African-funded lobby group that encourages investment in that country, after the group's president, James McWhirly, was quoted as saying there would be no power-sharing in South Africa. “If they can get that black mob under control,” McWhirly also told the Montreal Gazette that Pretoria would not need the dismantling of the “Goddamn Canadian government,” adding, as a reference to Canada's Prime Minister, “Why should the South African government be influenced by what that piss-pot McWhirly says?” In a statement released by Robyn Hall, Sarré disassociated himself from the remarks and said that he had originally joined the society “in a spirit of reasonable dialogue.” For her part, the Governor General said she had not known of her husband's membership.

Pressure. In Canada, and throughout the West, the debate about how to exert pressure on Pretoria will likely rage for as long as apartheid remains in force. In one camp, Britain and the United States continue to argue that isolating South Africa is counter-productive. “We oppose sanctions,” said British Foreign Secretary Geoffrey Howe last week, “because we believe that economic growth in South Africa offers the most likely route for peaceful political changes.” Others, like France and the Scandinavian countries, insist that the only way to force real change is to isolate Pretoria hard. Either way, many observers believe, the prospects for successfully influencing the South African government do not appear promising. Nearly 25 years ago, long after the regime's first declaration of emergency following the infamous Sharpeville killings, Modest's Overseas Editor Blair Fraser suggested that South Africa's white elite actually did not isolate “Apartheid in substance a wartime psychology,” Fraser wrote, “does a valuable service” to the Afrikaner since 1948, then, liberal external affairs minister Don Jamieson said that the 1977 Canadian measures designed to limit commerce in South Africa, which followed the police killing of black leader Steve Biko, seemed to have had no effect when he visited the country the following year. “I was quite appalled by the lack of impact,” he told Modest's. “It was a bit of a shock to discover that they simply didn't care.”

—GLENN ALLEN with BLAIR MACKENZIE in Ottawa and WILLIAM LAWRIE in Washington.



Workers outside the Sata shoe plant in Durban: International division over wisdom of sanctions

South Africa. Under the new measures, Ottawa's 1977 voluntary code of conduct for Canadian business in South Africa—covering employment practices, housing and wage scales for blacks—will be strengthened. As well, Canadian banks will be encouraged not to sell South African gold coins and Canada will stop selling computers and other sensitive equipment to South African police and military forces.

Embarrassment. Clark's measures met with limited success in Canada. Spokesmen for the largest Canadian firms operating in South Africa, including Sata Ltd. shoes and Alcan Aluminum Ltd., claimed that the president's restrictions would be minimal. J.R. Nowling, director of communications for Mas-

sey-Perron Ltd., which has a 24-per-cent investment in the South African holding company of Potlatch, declared: “Our investment in South Africa is under review, not for political reasons, because we don't have the luxury of indulging in a lot of political exercises.”

Warning. Following the imposition of harsh emergency rule in South Africa, and after criticism by other Western governments, Ottawa issued a diplomatic warning to Pretoria last week calling on it to “break the cycle of violence and abandon repression” of the black majority. And in an interview

South ambassador



A regional superpower

After President Peto Betha's predominance in South Africa's ruling National Party took power in 1984 and began referring the rules of apartheid, they developed an attitude of strong isolationism toward an increasingly hostile outside world, including their African neighbors. But as the tide of black nationalism approached South Africa's borders in the 1970s, when Portugal yielded independence to Angola and Mozambique, South Africa assumed an assertive new role as regional superpower, alternately enjoying and biding its time while neighbors into line. As a Pretoria official recently described the policy: "We want to show that we want peace in the region, but we also want to show that if we are refused we can destroy the whole of southern Africa."

Iron Policy The policy developed in the past 16 years during which South Africa has extended both a patronage tree and a charitable hand to its neighbors, came to be known cynically as the opposition media as a program of "thump and talk." For a time, and particularly after Betha won power late in 1978, the policy seemed to neutralize the threats to apartheid and even to persuade overseas governments that Pretoria was a contact in southern Africa. But lately Pretoria's policy has faltered under the pressure of domestic unrest in South Africa and actions that enrage more than they calm.

The most dramatic of Pretoria's early external forays was a brazen but fruitless invasion of Angola in 1975. It aimed to prevent the Marxist Popular Movement for the Liberation of Angola (P.M.L.A.), which opposed white rule in South Africa, from gaining complete control of that newly independent country. Angola's abolitionist, the former German colony that South Africa's neighbors considered since the First World War Pretoria's strategic feared that the area would abet Namibian rebels fighting for independence. Its small task force penetrated to within 300 km of the Angolan capital of Luanda. But when anticipated support from Washington failed to materialize, the task force grudgingly withdrew and with-

stood the triumphant MPLA take-over in Luanda. Western leaders were outraged, while the Soviet Union, arguing that South Africa had become a menace to newly independent black Africa,



South African troops in Angola. Machel: "Thump and talk"

states, seized the opportunity to pump aid into Africa. **Lightnings** Beginning in 1981, South Africa launched its most daring—and devastating—series of assaults on its neighbors. Pretoria carried out periodic military strikes deep inside Angola aimed at Namibian rebel bases there. But the invasion was also designed to assist Angola rebels to destabilize the Marxist government in Luanda. Meanwhile, commandos carried out a lightning raid in a suburb of Maputo, the Mozambique capital, killing five people while South African officials later claimed were ANC guerrillas. Then, a year later another unit killed 48 people in a raid on Maseru, the capital of Lesotho. In the most recent assault, South African commandos

struck inside Botswana in June, killing at least 13 people.

The thump-and-talk strategy achieved its first major success in March 1984. Bored by rebels and a faltering economy, Mozambique President Samora Machel reluctantly agreed to a mutual nonaggression pact with South Africa. In return for the eviction of hundreds of ANC guerrillas from Mozambique, Pretoria immediately cut assistance to the anti-Machel rebels and began providing financial aid to help revive the Mozambique economy. Meanwhile, in Angola officials reluctantly signed a ceasefire agreement with Pretoria. The effect of the agreements was to cement Mozambique and Angola in dealing with the apartheid regime. Since then other nations, including Lesotho and Botswana, have succumbed to Pretoria's pressure by expelling political refugees.

Subterfuge But recently Betha's strategy has run into difficulty. Undeterred by the Betha-Machel deal, the rebels in Mozambique have continued their war against the Machel government. Some South African officials now fear that the guerrillas could succeed in toppling the Machel government—undercutting Pretoria's hopes that a quick recovery by Mozambique would demonstrate to other black nations the benefits of dealing peacefully with South Africa. Thus, it may be the reliability of the ceasefire pact with Angola was undermined when Angolan forces entered South African-controlled areas and looted an apparent attempt to sabotage the economically vital Cabinda oil fields. Observers say that it is still too early to tell if the thump-and-talk strategy, with collages, Pretoria's officials remain confident and unrepentant. Declared South African Defense Minister Magnus Malan: "It is South Africa's policy to defend itself. We are not going to sit back with folded arms and watch others act against us."

—ANDREW NECHER, with ALLISTER SPARKS in Johannesburg

The harsh world of apartheid

He goes by the name of Samuel and he did not want to give much other personal information. But he was a young black South African and he said he was unhappy. What he was not at work in a Johannesburg gold mine, he spent most of his time around the back-to-the-land frame bunkhouses where he lived with other black miners in Soweto, the black township outside Johannesburg. His passport, his government identity book, which restricts the movements of black South Africans, prevented him from participating in the life of the city next door—at the risk of arrest or imprisonment if he tried. The sports and laws, which confine where black South Africans may live, have prevented Samuel's wife and children from being with him because of his status in a so-called town. Lack of employment in their designated townships has forced him to move away. "We are not happy," he said, "but there is nothing I can do."

Flight That sense of unhappiness and anguished results from a system that once at the best of times strictly limits the civil liberties of the black majority. Under the apartheid system, a black South African can neither vote nor own property in the country's major white urban centers. With few exceptions racial segregation in public places, buses and trains, schools, hospitals and even beaches is rigidly enforced by police and the paramilitary system. But last week with the imposition of a state of emergency in 36 districts, the plight of black South Africans took a dramatic turn for the worse. Under the emergency decrees the police and army have absolute powers of arrest, search and seizure, and people rounded up can be held indefinitely—without trial, without charge and without the right to a lawyer.

Enforcing the emergency measures is a formidable security apparatus armed with long-standing special powers to search homes, open mail, tap telephone

and eavesdrop electronically. The country's Security Police informers have infiltrated "support systems" used by opponents of the banned African National Congress inside South Africa. Even before the emergency, the Security Police had detained more than 1,000 people this year alone. Under the draconian Section 11 of the Internal Security Act, a suspect may be held for interrogation

in 1977 after being kept chained and naked in solitary confinement. Under another law, an individual "banned" by law and Order Minister Lourens Goosen is confined in a particular area, must attend meetings and must report regularly to police. Said Natal University law professor Tony Matthews: "The security system built up by the present government is one of the toughest in the world."



White-only beach in Cape Town; newspaper readers: resignation

indefinitely in solitary confinement without the benefit of trial, legal counsel or visitors. At least 80 people have died in police custody since the system of detention without charges was introduced 23 years ago, including the leader of Steve Biko, who died of brain damage

registration, which provides benefits such as cheaper housing rates. Last week's state of emergency placed even more shackles on the media. Under the emergency provisions, newspapers that publish the names of those detained without official permission are subject to fines of as much as \$12,000 (CZ) or imprisonment. Police also now have the authority to control the publication of information in designated geographic areas, and Police Commissioner Johannes Coetzee urged a meeting of editors in Pretoria to "close down" their coverage of the black street. But he refused to give a reason for the draconian measures. Said the 36-year-old former intelligence officer: "The legislation makes the laws, and I obey them."



—ANDREW NECHER, with ALLISTER SPARKS in Johannesburg

Thatcher's policies under attack

Two years ago Prime Minister Margaret Thatcher's Conservative Party won the most impressive electoral victory recorded by any British party since Labour's 1945 landslide, taking 397 seats in the 630-member House of Commons. But as it nears the midpoint of its current five-year mandate, the once seemingly impregnable Thatcher government is now throwing up unexpected and potentially fatal signs of vulnerability. On July 5 the Tories suffered a humiliating by-election defeat in the Welsh riding of Brecon and Radnor. The Tory candidate there went from first to third place, behind the victorious Labour Social Democratic Party (SDP) alliance and a resurgent



Thatcher's controversial spending cuts, rising unemployment and 'happening' misjudgment

Labour Party. Bled on the heels of that setback, a result of moderates within national party ranks, led by former secretary Francis Pym, called into question Thatcher's harsh policy of economic restraint in the face of crushing unemployment. Then, last week the government suffered a serious blow over plans to give large pay raises to top public officials. Pym led 98 rebellious Tory MPs as well as an aroused opposition, the government avowed defeat in the Commons by only 171 votes.

The immediate issue was a proposal to increase the salaries of 100 senior civil servants, judges and civil servants by as much as 46 per cent during the next year. But the Commons vote also exposed the depth of divisions within Tory ranks and reflected popular disaffection with Thatcher's policies. When the government first announced the pay proposal two weeks ago, Labour Party deputy leader Roy Hattersley charged that it confirmed that the government had one rule for the rich and another for the poor. Liberal Party Leader David Steel also criticized Thatcher's "supplacemagnum" because she has urged low-paid teachers to accept raises of only six per cent. In the Commons vote, only the absence of dozens of Labour MPs, along with the absence of 39 Tories, prevented a government defeat on an issue of confidence. What shook

the Thatcher government was the extent of disaffection within her own party. Steel asked Tory MP Patrick Thompson of the pay raise. "The government is so much and so much as a time when we are preaching restraint." Added fellow dissident David Sunning: "It will leave the government for the rest of its period in office."

For many Tory MPs as well as opposition critics, the pay issue was only the latest example of what opponents charge is the government's incoherence in living up to its election pledges. Thatcher first came to power in 1979 promising to reduce taxation and public spending. But as her opponents have observed, even the government's own figures show that taxation has increased by 25 per cent. Despite cuts in educational, health and local government services, annual public spending has soared to \$184 billion from \$45 billion. And for the first time since the Industrial Revolution of the last century Britain is now importing more manufactured goods than it is exporting. In 1980 the nation posted a trade deficit of \$7 billion. Thatcher

and her cabinet insist that the government is on course and that the problem is merely one of presentation. But as London's industrial *Financial Times* newspaper commented: "The problem is no longer how best to put across the message. It is that it has become exceedingly unclear what the message is."

At the same time, Thatcher is governing other measures that have left her government vulnerable to attack from its political opponents. A revision of Britain's massive social security system, involving cuts of at least \$1 billion in benefits from \$31 billion, has led to charges by both Labour and the Alliance linking Liberals and Social Democrats that Thatcher is bent on promoting social inequality.

Kinnock moderates



But Labour spokesman Michael Heslop: "The rich are enriched and the poor are poorer." As well, Thatcher's plans to sell off state-owned enterprises such as British Airways and British Gas, with estimated combined annual revenues of more than \$16 billion, are equally controversial. Charged Labour leader Neil Kinnock: "The government is selling off our national

assets in order to finance a gigantic tax giveaway."

Thatcher has vowed to stick to her policies. But dissent has persisted even among Tory MPs who attended a recent meeting with the Prime Minister that was intended to inflame morale. They were still smarting from her recent dismissal of Tory moderates as "sell-outs" who demanded higher government spending to ease Britain's 13.1-per-cent unemployment rate (3.1 per cent when Thatcher was elected in 1979). Indeed, among the electorate, Thatcher's absence of style is becoming a serious liability, as the voters in Brecon attested. The latest Gallup poll confirmed what was clear: Thatcher's lead over rival Kinnock has slipped by nine points since Jane Brier current rate is 27 per cent, compared to Kinnock's 24 per cent and the Liberal's Steel in third place at 25 per cent.

Much of the credit for Labour's recovery in public opinion goes to the 46-year-old Kinnock. Dramatically self-proclaimed in contrast to Thatcher's starchy, he has replaced his party's extreme image with one of moderation. He has already outmaneuvered Labour's left wing, whose militant socialism repelled voters in the 1983 election. But Kinnock's claim that Labour will win the next election, expected in 1987, gives over the party's current handicap. Labour's main liability is disarray in the trade unions, its traditional power base in the National Union of Miscellaneous workers, whose peacocking strike in February 1984 cost many jobs. And the cross-country picket lines are now converging forming a breakaway union. Analysts say that another potential problem for Labour with the electorate is the party's record in relation to end British nuclear defence. Many voters fear the removal of U.S. cruise missiles. The Liberals, with 28 Commons seats, and some left supporters favor the selection of a common leader. But Sir Leader David Owen does not favor that. The larger Liberal Party might overshadow his party. As a result, the parties risk presenting a divided image to voters in the next general election.

For Margaret Thatcher, grimly contemplating last week's close call in Parliament, the problems within the ranks of her opponents offered some solace. She could also draw comfort from the knowledge that she has more than two years to arrange voter disenchantment. But in attempting to do so, the "Iron Lady" faces an awkward dilemma. Much of her reputation—and support—rests on her unyielding pursuit of solutions to Britain's problems. From 1980 Pauline Hanson is infatuated. And voters' conversion to compromise could disastrously undermine that hard won image. —DVID MITCHELL in London



Obote (right) before coup, with Kenyan President Daniel arap Moi. looted shops

UGANDA

The national breakdown

Early Saturday morning residents of Uganda awoke to reports on the state radio that dissident army members had overthrown President Milton Obote in a "bloodless coup." The insurgents, some dressed in fatigues and wearing black berets, had swiftly won Kampala, the capital, in a coup of 38 trucks. Within minutes the sounds of gunfire, bombs and mortars had ended by dusk the nation's new rulers—the coup leader was Brig. Ntaro Obote. He had exposed a coffee and closed the airport. Obote, toppled in a 1971 coup by Idi Amin—a key lieutenant in Obote's original takeover in 1960—had fled to neighboring Kenya in the meantime.

The immediate cause of the coup appeared to be conflict between members of two rival tribes. The Acholi, the traditional backbone of the army, and the Langi, to which Obote belongs, Acholi members charged that Obote's fellow Langi troops had received preferential treatment in promotions and had not pulled their weight in the government's four-year war with guerrillas of the National Resistance Army (NRA), which Obote persistently refused to negotiate. Rebel leader Yoweri Museveni, a former dissident warrior, announced that the 1980 presidential election that returned Obote to power was rigged. But the seeds of the discontent were much deeper. The country has been torn by insurgency ever since Amin's brutal dictatorship came to an end at the insti-

gution of President Julius Nyerere of Tanzania—where Obote resided in exile between the first coup and his election. In Obote's four-year period as elected president, his dream of uniting the country failed because of guerrilla opposition and his own repressive policies. U.S. officials last year charged that the army's efforts to combat the guerrillas—and starvation—had resulted in the deaths of at least 200,000 people.

Obote, who once secured a socialist court, had advocated free-market principles and adopted measures proposed by the International Monetary Fund and the World Bank, including higher prices for such key exports as coffee, cotton and tobacco. Despite impressive economic gains after the ouster and mismanagement under Amin, tribal animosities and rivalries within the government prompted one Western diplomat to say before the coup, "The place is breaking down."

After Obote's ouster last week, Acholi spokesman broadcast appeals to NRA guerrillas for support. In Sweden during a visit, NRA leader Museveni said that his group was monitoring the situation closely, and he offered guerrilla support for the coup. For his part, Idi Amin, living in exile in Saudi Arabia, welcomed the coup and said that he was "ready to resume Uganda." But clearly, unity and prosperity would require a great deal more than that.

—STEVE BILSKY with correspondent reports

Damage report on a spy ring

The heavy-set prisoner in wire-rimmed glasses looked calm, almost nonchalant, as he was led into the Baltimore courtroom. John A. Walker Jr., 47, the man accused of leading the most damaging U.S. spy ring in 30 years, was appearing in federal district court to hear his lawyers plead for a dismissal of the multiple espionage charges against him. Walker's attorneys argued that massive publicity had ruled the chances of a fair trial for their client who, along with his brother Arthur, 50, his son Michael, 35, and his best friend, Jerry A. Whitworth, 45, is charged with selling nuclear secrets to the Soviets.

Opposing the move, Assistant U.S. Attorney Michael Schwartz said, "The speculative nature of these claims is obvious and sufficient to deny the motions."

A decision on the dismissal application, expected this week, will set the stage for one of the most dramatic spy prosecutions since Judge and Rebel Rosenberg were tried in 1961 (and executed two years later) for passing nuclear secrets to Moscow. U.S. Navy officials believe that the four-man ring supplied the Soviets with a wealth of information about navy operations and equipment for up to 77 years. While the investigation initially focused on the activities of John Walker, a former nuclear submarine radioman, senior officials often asked how any one man could have supplied so much information about the navy's most sensitive secrets. The officials allege that Whitworth, a navy communications specialist until 1963, passed to the four-man ring what they call "key lists" used in decoding navy satellite communications. They say that Whitworth, The John Walker, was motivated mainly by money. The Soviets appear to have made a shrewd investment. Still one complication in the case is the fact that the navy has made it clear that the information is really important, far more important



Whitworth on the way to court; key secrets

than the military has been willing to admit." Indeed, disclosures about the spy ring have clearly shocked senior intelligence and congressional officials. Because of the ring's alleged activities, navy officials say the Soviets engaged partial access to the nation's defense satellite communications network from the mid-1930s until the suspects were arrested in May. The network transmits virtually all of the navy's sensitive messages. Cryptographic key lists supplied by Whitworth, the officials claim, could have enabled the Soviets to make use of sophisticated U.S. encryption machines.

that the Soviets received from North Korea. Pyongyang agents seized the equipment from the captured U.S. Navy spy ship *Posidonia* in 1968. Once equipped with both the machines and the lists, the Soviets could easily decode naval transmissions. According to a federal indictment, Whitworth accumulated daily key lists at the ship or base where he happened to be working before handing them to Walker. Officials say that the Soviets could have then recorded the coded communications coming from Whitworth's station and used the key lists for each day to decipher the messages recorded on those days. Military analysts said decoded satellite messages could provide useful information on navy operations, including the performance of navy ships, aircraft and weapons in training exercises.

According to notes found in the Walker home, on one occasion the retired navy man went to meet an agent in the Philippines, where the aircraft carrier USS *Coronado* was making a port call. After a meeting with Whitworth, who was stationed aboard the ship, intelligence officials allege that Walker met with his Soviet contact. The two finally caught up with Walker near Baltimore. The arrest of his son Michael aboard the nuclear-powered aircraft carrier USS *Nimitz* and of his brother and friend followed shortly thereafter.

With Walker and his associates in custody, the shaken U.S. intelligence establishment is seeking ways to avert another such debacle. Chief of U.S. Naval Operations Admiral James D. Watkins has announced that the navy will spend millions of dollars to change all secret coding gear believed to have been compromised. And Navy Secretary John Lehman has threatened plans to reduce by half-in roughly one million—the number of security clearances given out to navy personnel and defense contractors.

At the same time, the House of Representatives has voted for a sweeping program of polygraph-based security tests for defense workers and a reform of the death penalty for espionage in peacetime by authorizing officers, not the authorities outside the military, to make an open society with a huge defense establishment, heightened security will never guarantee airtight military secrecy.

—WILLIAM LOWMYER
in Washington

John Walker Jr.



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HYUNDAI



The new ship Greenpeace, filing charges of murder and arson in Auckland

NEW ZEALAND

Clues in the Warrior mystery

By any standard, the case was disconcerting and novelized. But last week, as a frustrated New Zealand public followed every detail, police began unravelling the mystery surrounding the sinking of the Greenpeace protest ship Rainbow Warrior in Auckland harbor on July 16. The first break came on July 24, when Auckland police charged a European couple with murder, arson and conspiracy to commit arson. An Auckland district court promptly denied bail to Alain Turange, 35, and Sophie Turange, 26. The Turanges, arrested for carrying false Swiss passports, denied any involvement in the explosion that ripped through the hull of the 160-ft. converted tanker, killing one crew member.

With the Turanges in custody, police took the Rainbow Warrior investigation far beyond New Zealand's isolated shores, dispatching detectives to Switzerland and the French Pacific territory of New Caledonia. At week's end, police in Auckland issued warrants for three crew members of a French-registered yacht, *Ovea*. Authorities believe the men chartered the yacht in New Caledonia and sailed it to New Zealand, possibly carrying explosives. The yacht left Auckland the day before the bombing. Its whereabouts last week were unknown.

Police say a computer post by the Turanges in Auckland made be the link between the couple and the so-called French Connection. Shortly after news was planted into media that sank the Rainbow Warrior at its docks in moon-

ing, a man was seen loading a rubber dinghy onto the ship and getting into the van. Police have also asked Interpol to help them find a shadowy French woman who had posed as a Greenpeace supporter in Auckland. The woman, they said, may have been sent as a spy to prepare for the bombing.

But while they searched an as-yet unspecified "political motive" to the attack, authorities dismissed suggestions that French security police might be involved in sinking the ship that was to lead a flotilla to protest nuclear testing at Mururoa Atoll in French Polynesia. Said New Zealand Prime Minister David Lange: "There is no evidence that ties any government in with it."

Lange's government has offered to help raise the Rainbow Warrior once the investigations are finished. To aid in the salvage, Greenpeace has collected \$45,000 in donations, half of which will go to the family of the dead crew member. Dutch photographer Fernando Pereira is the maritime organizer, asking glass to carry on with the Mururoa mission using the Greenpeace ketch *Vega*. And last week the environmental group launched a new vessel in London, a converted ocean-going tug christened *Greenpeace*. "We've got to make sure that Fernando did not die in vain," said Greenpeace Canadian director Patrick Moore. "We can always get more ships."

—MARTIN CEE, who JOHN MULLIGAN
in Auckland

INDIA

The quest for Punjab peace

Among all the religious and regional strains that afflict modern India, the violence generated by communal animosity in the rich northern farming state of the Punjab has proved the most destructive. Since 1982 an estimated 4,500 people have died as a result of the conflict. The dead included 600 Sikhs who were killed during a government raid on their holy Golden Temple in Amritsar in June, 1984, and then-prime minister Indira Gandhi, who was assassinated in revenge by two of her Sikh bodyguards in New Delhi last October. Last week Gandhi's son and successor took a major step toward ending the discord when he signed a historic pact with moderate Sikh leaders. Said Prime Minister Rajiv Gandhi: "This will bring an end to a very difficult period. It will be the beginning of a new phase of working together to build the country, to build unity and integrity."

Most Sikh moderates agreed that Gandhi, 49, had made important concessions. Under the 11-point accord, Gandhi pledged to make the city of Chandigarh, which now is the administrative center for both the Punjab and the neighboring state of Haryana, the capital of the Sikh homeland only. He also pledged to expand an amnesty into widespread attacks on Sikhs launched by Hindus following his mother's assassination, to provide compensation for families of those killed in Punjab disturbances and to withdraw emergency measures allowing search and arrest without warrants in the state. Leaders of the moderate Akali Dal political party, meeting in Amritsar last week, ratified the plan and called off a three-year program of protest against the government. Disavowed party chief Bhagwant Singh Longowal: "The agitation has ended with this meeting."

But the accord was swiftly denounced by Sikh radical groups, including the powerful All India Sikh Students' Federation. The militants viewed it a "complete sellout." Meanwhile, Sikh demands for greater state political autonomy will be referred to a judicial panel. In an attempt to speed the return to normalcy, the government hoped that it would hold state and national elections in Punjab this fall. Officers say they hope that the vote will bring Sikh moderates into power and isolate the radicals—paving the way for a return to normalcy and stability in the long-suffering state.

—MARTIN CEE

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Toyota takes a new direction



Toyota showroom in Toronto, hoping to get auto part breaks and loosen Canadian import restrictions.

The announcement from Toyota last week came after four months of steady pressure from the Canadian government and the domestic auto industry. Toyota Motor Corp., the world's second-largest auto manufacturer, confirmed that it plans to build a Canadian plant to assemble 80,000 vehicles a year, starting in 1990. Toyota will also attempt, by the end of the decade, to become the first non-North American company to meet the terms of the Canada-U.S. auto pact and qualify for duty-free movement of vehicles and parts across the border. Toyota's decision was a welcome development in the Canadian campaign to convince Japanese carmakers to invest in Canada—or face continued tough restrictions on imports.

Toyota's recent move came barely a month after Federal Industry Minister Shanker Stevens renewed a restraint agreement, limiting Japanese vehicle imports to 18 per cent of the domestic vehicle market. Whether Toyota's investment plan was enough to persuade Ottawa to soften its stand on restraints on all Japanese car imports remained uncertain. Said Andre Siskosky, a director with the automotive, marine and rail branch of the department of regional industrial expansion: "It is a question of how much investment [income]." But the Canadian version of the United Auto

Workers of America was excluded in its endorsement. Said Canadian director Robert White: "Let's wait and see how many Canadian parts they will use and how many people they will employ, before changing the regulations."

The Canadian plant is just part of Toyota's North American expansion program. The company will start producing next year of 50,000 cars annually at a shared Toyota-General Motors facility in Fremont, Calif. And last week it also announced plans to build a new 200,000-unit plant at an unnamed site in the United States before the end of the decade.

Officials of Toronto-based Toyota Canada Inc. and they will not set the pace for the Canadian plant until the fall, but three provinces quickly joined the competition for the firm's investment dollars. British Columbia International Trade Minister Don Phillips said that Toyota's \$100-million wheel plant in Delta, B.C., which opened in April, coincided with the province's proposal to create new export areas featuring tax breaks and financial

assistance for industry, made his province a contender. And Quebec's foreign trade minister, Bernard Landry, said that he would do everything necessary to lure Toyota to his province. Landry, one of four declared candidates for leadership of the ruling Parti Quebecois, led a Montreal area conference. "So matter what Ontario offers, we can do more."

Still, many auto industry analysts say southern Ontario is the most likely site for the new Toyota plant. Most of Canada's new assembly and parts facilities are located in the area, and it is close to major U.S. markets and industry parts suppliers. According to industry expert Arvid Jeppu, senior vice-president of research for Keweenaw Securities Co. of Greater Detroit, Woods, Mich., the location of Toyota's new U.S. plant will influence the choice of a Canadian site. If the U.S. plant is located in Michigan, for example, locating the Canadian plant in Ontario will allow Toyota to use the same sources for parts and save on transportation and other costs.

Superior auto dealer



Ne matter which province eventually gets the plant, Toyota's announcement represented at least partial success for Ottawa's policy of linking any relaxation of import restraints to Japanese manufacturers' willingness to contribute to the Canadian economy by building Canadian plants. Although Japanese manufacturers continue to resist the concept of linkages, the Toyota decision is another indication that the big-name Japanese car firms are ready to comply with Canadian authorities. The first sign was Honda Motor Co. Ltd.'s decision last year to build a \$200-million assembly plant in Alliston, Ont., 80 km north of Toronto, which will produce 40,000 cars annually by 1993 and employ about 300 people at the highly automated plant.

But in planning a facility that will meet the requirements of the auto pact, Toyota is going a step further. Under the pact the Canadian product—a car with 1.6-l engine, similar to Toyota's Corolla model—would have duty-free access to the U.S. market. Similarly, it could bring U.S.-manufactured models and parts into Canada. Said Victor Dumas, senior vice president of Toyota Canada Inc.: "It would be nice to be able to ship a few cars down south and bring a few back up here, the way the domestic manufacturers do."

As one requirement for qualifying for duty-free passage of cars and parts across the U.S.-Canada border, Toyota auto manufacturers can in Canada equal to the value of its domestic sales. As well, it must give Canadian parts equal to per cent of sales. Last year Toyota sold 60,070 vehicles in Canada—slightly more than the new plant will be capable of producing annually. And Toyota's wheel plant in British Columbia will help it meet Canadian parts-content requirements.

So far, no other Japanese carmaker has announced that it will follow Toyota's plan to qualify under the auto pact. Said Ralph Luzzo, vice-president of national advertising for Honda's automotive division in Canada: "Our plans have not changed. We will not be participating in the auto pact." Ken Kawano, president of Toronto-based Nissan Automobile Co. (Canada) Ltd., the third-largest importer of cars in Canada, also said that Nissan has no specific plans to manufacture or assemble vehicles in Canada.

Japanese automakers, making steady inroads into the North American car market, now have roughly 40 billion invested in the United States, and they plan another \$10 billion worth of investment. Their current and future projects for Canada are only now an estimated \$800 million. That may not be enough to convince Ottawa to reconsider its restraint program. —SANDY PORN



Mexico's economy: a standoff between rich and poor leaves a curtain in alleyway

OPEC's hard choices

It was an image that they press photographers covering last week's Geneva meeting of the Organization of Petroleum Exporting Countries (OPEC) could not resist. They fell over one another for glasses of the current OPEC president, Indonesian Oil Minister Sukarno, bubbling into the plain Indonesian steel on cruet. The rim of the 25-year-old metal on its handle was only slightly overcast. When the meeting closed four days later, the only agreement was an act in the price of lower-quality crude oil, amounting to an overall reduction of less than one per cent in OPEC's average price. And even that margin cut was too much for three key members, Algeria, Libya and Iran, refused to go along. Declared Chairman Fikri, an oil minister with Riyadh, Saudi Arabia, and a Saudi Inc. of New York. "The meeting was a joke. It did more damage to OPEC than good."

The inability to agree on significant price cuts was not the only failure of the summit. The 13 oil ministers also sidestepped the crucial issue of overproduction quotas designed to support high prices by limiting supplies of oil. But many OPEC countries—particularly the poorer ones, such as Nigeria and Iran—openly disagreed then. That has aggravated a glut of oil on world markets, created in part by non-OPEC oil producers such as Canada, Great Britain and Mexico. In fact, a Venezuelan delegate told Muscatini that Canada's role is a "destabilizing influence" on prices was discussed last week in a special session. Raytheon over price cuts also under-

stood resentment by the poorer OPEC members toward the wealthy Persian Gulf producers. At an estimate, in the United Arab Emirates, the average annual income per person is \$22,070 (U.S.), in Indonesia the figure is \$390. Tensions surfaced after Saudi Arabian Oil Minister Sheikh Ahmed Zaki Yamani announced support at Algeria's "intrusion" over price cuts. The Algerian representative, Belkacem Nait, reported angrily that Saudi Arabia was "lifting the weights" of the poorer members.

The point-blank led many analysts to doubt that OPEC will be any more successful in enforcing production quotas when it meets again in October. Their greatest fear is that Saudi Arabia, which has cut its own production to offset overproduction by other OPEC members, will lose patience and drive prices down further by flooding the market. Earlier last month Saudi Arabia warned that such a move could top up to \$10 (U.S.) from the current price of \$8 per barrel, OPEC's official price peaked at \$34 per barrel in 1980.

For non-OPEC oil producers, the prospect of further price reductions is a continuing source of anxiety. Said one British official: "The oil companies themselves become quickly if prices fluctuate wildly. But if they were a steady trend—even if it is a downward one—they can plan around it." After last week's debacle, the steadfastness of OPEC itself is in doubt.

—MARK CLARK, with JAMES CLAYFORD in Geneva and IAN MATTHEW in London

A long-shot hunt for oil

Francis (Frank) Joslin takes great delight in proving his detractors wrong. In the early 1950s, when he was prospecting in Northern Ontario, the maverick geologist found five barrels. "It took me four years to raise a lousy \$35,000," he says ruefully. But in 1964, after Joslin discovered what was then the world's largest uranium deposit near Blind River, the price of stock in Joslin's company shot from \$1 a share to \$235, making him a millionaire and leaving his doubters shaking their heads. And last week, as a drill ship and four escorts organized by Joslin and his partners boomed through pack ice into Hudson Bay, he was challenging the skeptics again. If the expedition discovers oil in the vast, shallow bay, Joslin, 73, will cap a brilliant prospecting career. Said Joslin: "I live to be ridiculed all the way to the bank—not for the money, just to prove them wrong."

The Dutch-registered Neddrill II was scheduled to begin drilling the first of two exploratory wells this week in waters that Joslin says are Canada's equivalent to the oil-rich North Sea. The ship's owner, contractor to the government of Ontario, Canadian oil companies including Sogreah Ltd. of Toronto, a company Joslin



Joslin, drilling fifth in Hudson Bay

formed in 1962 to promote exploration of Hudson Bay. Key players include Toronto-based Consumers Gas Inc., which owns 45 per cent of Sogreah, and IOC Resources Ltd. of Winnipeg. Two provincial governments are also involved: Ontario, through provincially controlled Ontario Oil and Gas of Toronto, and Québec, through the provincially owned Société québécoise d'hydrocarbures pétroliers (Sohépa) of Ste-Foy, Que.

By industry standards, the plan to drill two exploratory wells is modest—\$40 million—and a long shot, but the participants are excited by the possibilities. "The risks are substantial," said Ben Smith, the Calgary-based vice-president in charge of exploration for IOC Resources Ltd. "But the area and size of the potential oil-bearing rock are such that there is potential for enormous reserves of oil—billions of barrels."

The decision to drill this summer was influenced by Ottawa's abolition of the Petroleum Incentives Program (PIP). After March, 1986, PIP grants will no longer cover as much as 80 per cent of the cost of frontier exploration. Said Philippe Hervey, a Montreal-based oil analyst with Nicholas Thorsen Bongard Inc.: "It's a real incentive to put an exploration decision. But it is worth having a look before the grants run out." Still,

Smith added, IOC "would have gone in no matter what. Hudson Bay is one of the few places where, for a relatively small investment, you stand a chance of turning a small company into a very large company overnight."

For Joslin, who was made an officer of the Order of Canada in 1983, discovering Hudson Bay oil would be the pinnacle of an outstanding career. From 1964 to 1984, between bouts of prospecting Sogreah, Joslin did pioneering work from Patagonia to Poland as a geological consultant for the United Nations. Some of his discoveries emanate in Somalia, natural gas in the Caribbean, potash in Poland and numerous deposits of copper in Central America. Said Ronald Johnson, a Calgary geologist who has known Joslin for 20 years: "Frank has been and done things that most geologists only dream of."

Joslin's belief in Hudson Bay oil took root in the late 1940s, when he was prospecting for lead along the bay's "bravely beautiful" eastern edge. At first, he encountered a strange mineral that proved to be antimony, a relatively rare compound that can be formed from crystallized waste oil. Joslin was "hooked" for 1955, when he returned to the Arctic. In putting out word to local Inuit that he was seeking rocks that bore oil. Eventually, a team over on Southampton Island, at the north end of

the bay, reported that his grandfather had showed him such rocks. Joslin subsequently discovered huge beds of oil shale—similar to those in northern Alberta—up to 13m thick and stretching for 200 km.

At the same time, federal geological surveys demonstrated that virtually all of Hudson Bay, as well as large parts of the Manitoba and Ontario coasts along the western and northern edges of the bay, were part of a vast sedimentary basin formed under ancient seas—and sedimentary basins produce oil. In 1966 Joslin was encouraged when he found "evaporite lumps"—oil stains—on core samples drilled near the Manitoba coastline, but three wells drilled in the bay over the next eight years proved disappointing. Then, in 1978, the search was abandoned when Ottawa suspended the Canada Oil and Gas Act, eliminating certain tax breaks for exploration.

In 1982, after Ottawa introduced the National Energy Program and the PIP grants, Joslin once again began hunting for partners to finance exploration. IOC's Smith told Moskow's last week that he responded immediately. "It is almost a totally unexplored basin," he said. "It's a low-risk find," added Joslin. "We have oil shale to the north and residual bitumen to the south. With a hole 300 miles long and 400 miles wide, there has got to be oil in between."

Despite the optimism, Smith acknowledged that the best oil deposits generally are found in rock younger than the Hudson Bay structures. And the bed of potentially oil-bearing sedimentary rock under Hudson Bay is relatively thin—about one-quarter to one-third the thickness of that in the huge St. Lawrence delta off Newfoundland. But Smith pointed out that "very significant" oil deposits have been found in rocks of similar age and thickness.

Hudson Bay offers other advantages as a drilling site, among them an average depth of just 300 feet, and ice in light or totally absent for 100 to 120 days a year. As a result, Joslin estimates that development wells could be drilled for roughly \$5 million each, compared with \$50 million in Alberta and \$75 million in the Beaufort Sea. In addition, Hudson Bay is closer than either of the other fields to major markets in Central Canada and the eastern United States.

After all his efforts, Joslin says he will continue the project, whatever the results of this summer's tests. "It is my work, it is my pleasure, it is my delight—it is all I live for," he said. "Other men chase golf balls. I go hunting antimony." In the meantime, Joslin's clarity, "I'm convinced we will find something, and when we do we will make them all look like a bunch of idiot bastards."

—MARC CLARK

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A new round for Greymac

The takeover action shocked Canada's financial community, triggered a polluted upsurge and cast a shadow over the careers of several entrepreneurs. In January, 1985, the Ontario government took control of three trust companies involved in a complex sale of 16,000 Toronto apartment units, alleging financial wrongdoing. Last month, after almost three years of intensive investigation, police laid the first criminal charges relating to the affair after Toronto lawyer Joseph Cornacchia surrendered to Ontario Provincial Police. Cornacchia is accused of defrauding Seaway Trust Co. of approximately \$525,000. Now free on \$50,000 bail, he is scheduled to appear in court in September. Said one Ontario government official: "There will be many more charges against some others, probably in October. It is taking time because of the sheer volume of the investigation."

The saga began in November, 1983, when Toronto financier Leonard Rosenberg purchased the apartments for \$570 million from Cadillac Fairview Corp. Rosenberg's company, Greymac Credit Corp., immediately sold the apartments to Kildred Investments Ltd., owned by Kildred, Ont., real estate developer William Foy, for \$312 million. Foy then sold the buildings for \$508 million to a group of seven hotel companies that he said were owned by Saudi Arabian investors. Mortgages amounting to \$525 million, which financed the second and third sale, were endorsed by three trust companies, Rosenberg's Greymac Trust Co. and Crown Trust Co. and Seaway Trust Co., owned by Andrew Markle.

Cornacchia was a money player in the large and complex web. In September, 1984, he bought the Port Colborne, Ont.-based Seaway, with assets of \$5 million, in partnership with Markle, a friend of Foy's. Cornacchia knew Foy through previous mortgage deals when Cornacchia had worked as a lawyer for now-defunct Acadian Financial Corp. The Markle bought Cornacchia's interest in Seaway in June, 1984. The charges against Cornacchia stem from loans made during his brief involvement with the trust company.

Of the main players in the trust company affair, only Markle remains in Canada. Foy, who faces a warrant for his arrest on contempt of court charges, divides his time between Detroit and Florida, where Rosenberg provides over a real estate business in \$250 million.

—PATRICIA ROY, with SHERRI AKENHEAD.



Milan stock exchange: a desperate search for dollars and the plummeting

Stumbling into a crisis

It began as a calm day on Italy's currency markets, but by early afternoon on Friday, July 15, foreign exchange traders in Milan and Rome were in a panic. The lira was staggering, and by 3:30 p.m. the Italian currency had lost 20 per cent of its value against the U.S. dollar. Half an hour later the Italian Treasury intervened, closing the country's foreign exchange markets. The next day at a hastily called meeting in Basel, Switzerland, central bank officials of the European Community (EC) agreed to officially devalue the lira by eight per cent, within the European Monetary System (EMS), which links the values of eight European currencies. When currency trading resumed last week, the lira was over the line traded quietly and even recovered some of its value against the U.S. dollar.

Still, the incident drew worldwide attention on the failure of Italy's frequency coalition government, led by Christian Prime Minister Bettino Craxi, to deal with mounting economic problems. Although Italy's gross domestic product is growing by 2.6 per cent for the second year in a row, the increase came largely as a result of massive jumps in government spending and the nation's public-sector deficit, which is forecast to reach \$75 billion (Cdn.) by the end of 1986. But strong domestic growth, coupled with Italian industry's inability to meet local demand, resulted in a costly surge in imported goods. In the first five months of 1985 Italy's trade deficit stood at \$14.9 billion—75 per cent of last year's record trade deficit of \$14.3 billion. And the

oversaw the trade it difficult for Italian manufacturers to sell abroad.

Harder this year the Craxi government—after two years in office it is the country's longest-running administration since the Second World War—acknowledged the need to deal with the public-sector deficit and soaring imports. But the government was only midway through discussions to develop a new economic program when the currency crisis struck.

The lira's dramatic fall began when one of Italy's largest banks, San Paolo di Torino, tried to buy \$125 million in U.S. funds. The bank was acting for Kite Nazionale Idrocarburi (KIN), the state-owned energy company. Both KIN and San Paolo asked the bank of Italy to supply the dollars. The bank refused and advised the two corporations to delay the operation. What the bank did not reveal was that the government was planning a lira devaluation in order to make imports more expensive to Italian consumers. As a result, San Paolo began buying dollars on the Milan exchange. But currency traders soon found that there were not enough dollars available to fill the huge order. As they started dropping the price of the lira in order to attract more dollars, the disastrous slide began. Last week Craxi ordered an investigation into the crisis. But economists and bankers hoped his next step would be to make some hard economic decisions.

—MICHAEL SALTER,
with KARE GILBERT in Rome.

An old dream that took off

By Peter G. Newman

Quick off the mark following Transport Minister Don Mazumdar's deregulation announcement last week was Victor Pappalardo, the former Montreal club owner and now City Express, Canada's fastest-growing charter airline. "City Express is a baby of deregulation," he proclaims, "and this is the thing on the rise."

Unlike most of the other airline honchos who missed the minister's announcement and then inveigled themselves in corporate think-tanks or committee deliberations to decide what they should do, Pappalardo promptly confirmed his faith in ordering 600 million worth of the Hamilton Dash 8s, scheduled 10 new daily flights from Montreal to Toronto for the first week of September and is planning "gambler's special" charter flights between for Atlantic City, N.J., out of Pearson and Denver airports.

"City Express either wouldn't exist or would have taken years to reach the point we're at today had it not been for this new Canadian air carrier policy," Pappalardo proclaims. "It gave us the chance to demand flexibility in pricing and the ability to have a simple fare structure with no complex conditions of sale. The skies are opening up at last." Pappalardo's constancy is shared by most of the regional and feeder carriers who recognize Ottawa's new mood of deregulation as the opportunity they have been seeking to compete for the rich, crowded sectors of the market against national carriers such as Air Canada and CP Air. What they predict is that air passenger traffic will grow markedly. Profit margins may or may not fall. Faced with intensified competition, several American airlines have gone bankrupt while others continue to teeter on the edge.

If City Express does fail, it won't be because of fancy overhead expenses. Pappalardo and his small staff operate out of 5,000 square feet of dusty office space in the Toronto TV station owned by his uncle, multimillionaire TV magnate and newspaper publisher Dan Isaacson. The furnishings—mainly old kitchen chairs, folding tables and battered watchtowers—look as if they might at any moment be reclaimed by the Salvation Army.

A rock-hard free-enterpriser, Pappalardo loves the flying business. Nothing makes him happier than calculating how

Vic Rail's deficit amounts to a subsidy to its passengers that is the equivalent of at least \$70 a head. "I once told Mazumdar I would turn the subsidy over to me—and I'd fly everybody from Toronto to Ottawa and Montreal for free."

Barely a year old City Express took over the financially ailing Air Altonair in 1981. Pappalardo's airline flies 10 times a day between Toronto and Ottawa at fares that are 30 per cent lower than Air Canada's. He is considering the ad-

been a disaster. Nordair lost about \$2 million a year flying out of Hamilton, and if we had got into it we would have blown our brains out. We won't fly anywhere just for the sake of flying."

One of City Express's great advantages over its competitors is that it uses seasoned crew and ground personnel. In fact, the little airline is getting a bad reputation for underpaying its staff, but the high-flying president maintains that it's all part of the deregulation game. "Being lean and mean, and some say tight," he says, "has allowed us to offer fares at a level clearly in the public interest." So far Pappalardo has financed growth through bank loans, but he hopes to float a public share issue soon, and ponder a future in which passengers and pilots, fellow shareholders all, would share together into various wild blue yanders, making City Express ever more profitable. Sales are expected to hit \$20 million this year, but start-up capital costs are too high to show any profit for a while yet.

Born in Montreal, 42 years ago as the son of an Italian contractor, young Victor was fascinated with airplanes from grade-school days, and spent his Sundays at Derval watching North Stars and Flyers take off and land. During his political science studies at Loyola College he spent summers maitre-d'ing ovens for Nordair, and later joined the airline's marketing staff. After a short hitch with Quebecair (where he built their charter business from zero to \$5 million a year), he returned to Nordair, rose to a vice-presidency and married the boss's secretary. He now has four children and owns a 45-foot yacht, but rarely manages more than one summer weekend abroad. "My work space is basically 16 hours a day," he says, "and I've been at it for the last couple of decades. Nothing came easy. I just got out there and hustled." Pappalardo also runs an aircraft leasing company, has done real estate deals and makes extra money building three-storey walk-ups along Montreal's South Shore.

City Express remains a small airline with untested growth potential, yet it could very well be the role model for how the industry will evolve in response to Ottawa's deregulation initiative. The airlines that move more people at lower fares will be the winners. "We are not out there to steal other people's traffic," Pappalardo says with a wink, "but of course we will not turn it down if it comes our way."



Pappalardo: 'nothing came easy'

PHOTO BY GUY A. LOVATT

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NISSAN SENTRA



*This chart is the base model and is a manufacturer's suggested retail price as of April 1, 1985. Prices do not include freight, dealer delivery charges, license or taxes. Dealer may sell for less. Some of the equipment shown is standard, optional or extra cost.

NISSAN
MAKES MOTOR

Treasure from a Spanish galleon

On Sept. 6, 1622, a fleet of 30 galleons set sail from Havana, bound for Spain with gold, silver and jewels looted from the conquered Indian empires in Mexico, Peru and Colombia. But the precious cargo aboard the galleon *Nuestra Señora de Atacocha* never reached the royal treasury. Instead, the 440-ton ship foundered in a hurricane. Its remains lie in two deep, some 10 miles from the tip of Florida.

For the past 37 years, professional treasure hunter Melvin Fisher, 65, has probed the 50-foot depths for the galleon's final resting place. Then, on July 20, his quest ended successfully when he and another diver employed by his firm, Treasure Salvors Inc., located the bulk of the cargo as estimated \$600 million (U.S.) worth of silver bars, coins and historic artifacts. Said 26-year-old Kane Fisher as he surfaced after finding the place: "Tell us dad, it is not the charts that found the main pile, it is a reef of silver bars."

Last week in Key West, as divers brought ashore 300 bars of silver—each one weighing about 35 lb.—members of the 35-member firm announced their success. Said archaeologist Dorian Hatheway, who has helped search for the *Atacocha* for 15 years: "This is the greatest treasure ever recovered, in every sense of the word." Added Melvin Fisher: "No more on this, it is 'Yat'abul'ah. Two weeks ago I could not make the payoff!"

Fisher has endured personal family loss, constant shortages of funds and court battles over his right to the treasure since 1970, when he used 17th-century Spanish documents to locate the wreck in the shipwreck. Throughout last week employees demonstrated their determination to protect the treasure from modern-day pirates. Shortly after the discovery, boats were fished five boats to return to port. But employees carrying rifles remained aboard two sal-

vage vessels anchored over the site. Said spokesman Bob McFadyen: "We have extraordinary security in place."

Even before his son spotted the pile of bullion coins, which covered the silver, Fisher's divers had retrieved \$30 million worth of gold bars and silver coins from the wreck site. But much of that booty went to repay the 700 investors who invested between \$5,000 and \$1

or salvage operation near Port Ponce, Fla., after state officials announced that they would claim any gold salvaged from the wrecks of Spanish ships lying within U.S. territorial waters. Later, when he began his search for the *Atacocha*, his initial efforts were unsuccessful until he discovered that a faithfully translated Spanish document had led him to look for the wreck in the wrong place.

Then, in 1975, when his company found pieces of the sunken galleon and her sister ship, the *Mariposa*, the U.S. government joined Florida in laying claim to the treasure. Finally, 11 years later the U.S. Supreme Court dismissed the government's claim, ruling that the treasure hunter had exclusive rights to booty from both the *Atacocha* and any other ships he found.

Despite victory in the courts, Fisher's lengthy search for sunken gold and silver has come at a high personal cost. 33 years ago one of his three sons, 18-year-old David, his daughter-in-law, Angela, and a crew member drowned when a salvage boat capsized. On July 20, when Fisher returned from a shopping expedition for diving gear and learned that his crew had found the *Atacocha*'s main cargo, he said, "Nervous-breaking the deaths, it was worth it." Treasure Salvors Inc. will receive one-quarter of the find,

but Fisher is in as hurry to strip the wreck. Indeed, he and Hatheway are planning an archaeological excavation of the site, carefully removing and cataloging the treasure and artifacts from the nation hold over a period of several years. Said Hatheway: "We are somewhere between treasure hunters and scientific conservation." At the same time, access of Florida's Treasure Coast has only whetted Fisher's desire for even richer prizes: the gold and silver in Spanish galleons which sank near Japan while sailing from the Philippines. Declared Fisher: "It's absolutely beautiful. It is really hard to control by humanity." —BOB KERRER in Key West



Melvin (left) and Kane Fisher celebrating 'a haul of silver bars'



Police leading Heli's Angel David Ruchow to inspect? Bullets and bloodstains

CRIME

New raids on the Angels

Twenty Quebec provincial police force officers dressed in camouflage fatigues and carrying semi-automatic rifles surrounded the Heli's Angels clubhouse in L'Anjouville, Que., last week. Then, moving in on foot to avoid bear traps and sensor wires around the three-story house, they reached the steel-reinforced door and demanded entry. Inside, two members of the motorcycle gang admitted the police without resistance. It was the second time in four months that a police tactical squad had raided the house in the quiet village town 160 km southeast of Montreal in the hope of learning more about the violent deaths of six Heli's Angels last March. And last week's raid suggested that five of the ex-bikers may have been murdered there in an internal gang quarrel. A search of the home revealed bloodstains on the floor and bullet holes in the walls.

The July 23 raid occurred five days after a sensational testimony in Detroit, 35 km northwest of Montreal, at a coroner's inquest into the deaths. There, 26-year-old Gerry (The Cut) Coleman testified that he was among the Angels' 18-acre property on March 22 when gang members shot five men. The victim according to Coleman, the victims were killed because they had squandered drug payments and appropriated cash-earned co-

mes for their personal use. But Coleman's dramatic appearance was interrupted when defense lawyers attempted to have the coroner removed from the case. Two lawyers representing nine Angels held in custody as material witnesses managed to halt the inquest by questioning the impartiality of the coroner, Quebec Superior Court Judge John D'Arcy Asselin. Then, last week, as a Superior Court hearing in Montreal on the matter, lawyer Lionel Maranda applied for the release of his five clients, arguing that Asselin had acted illegally by issuing arrest warrants before he had been sworn in as a coroner.

Judge Pierre Paus did not release the five men, but he ordered them to appear at a 10-day coroner's inquest this week. There, another Superior Court judge will decide if there are sufficient grounds to keep them in custody. And he ordered Asselin's power to make any further decrees concerning Maranda's clients, ruling that the public might not doubt his impartiality. For one thing, Paus noted that Maranda's clients have filed a civil and agreed Asselin in which they ask for \$250,000 in damages for unlawful imprisonment. Paus's decision left the future of the inquest in doubt as lawyer Jacques Boissard will present similar arguments when he re-

appears with four clients in Quebec Superior Court this week. At week's end, as a result of Paus's ruling, Quebec Justice Minister Pierre Marc Johnson was considering appointing a new coroner to the case or suspending the inquest and laying criminal charges in connection with the slayings. Before the controversy over Asselin halted the inquiry, Coleman testified with increasing anger and provocation about what he said were details of the killings. As a recent recruit—in biker slang, a prospect—he said he had to prove his worth by standing guard outside the clubhouse while the killings took place. He also testified that he had heard shots being fired in the house and even saw one victim, Guy-Louis (Chop) Adam, gassed down as he tried to escape the massacre. Coleman then told the inquest that he had later seen four bodies lying on the floor of the clubhouse garage, along with a body that had been piled in a rented van, Coleman, driving a rented car, escorted the van on a 150-km journey to St-Léonard-de-Loup in the St. Lawrence region. There, Coleman said, he and other Angels hid the bodies until a priest and vest for dinner in a restaurant before returning to throw the corpses into the river. The bodies remained there until June 1, when a witness reported a decomposing corpse in the St. Lawrence river. St-Léonard-de-Loup. During the next seven days the police recovered the bodies of five more male club members, all displaying characteristic common to biker killings: the victims had been chained to weights and stuffed into sleeping bags.

The disappearance of the six Laval club members—and the eventual recovery of the bodies—had prompted more than 100 raids on the clubhouse by police but bikers replied. During the province-wide sweeps, which police spokesmen said were designed to end or at least inhibit the gang's activities, tactical squads seized cocaine, amphetamines and marijuana as well as shotguns and knives from the street. The killings and drug seizures reinforced a conclusion reached by the Quebec Police Commission Inquiry into Organized Crime five years ago: along with the Outlaws, another bikers gang, the Heli's Angels were the most important offenders in the province.

—IAN BURKE in Montreal

The year of 'The Horse' from Canada

More than two million people jammed down the Champs-Élysées and along the Champs-Élysées to cheer a national hero. Haras Haras in last week's final stage of the grueling 25-day Tour de France, he rode out his final race. But Haras, fighting for a second-year fifth Tour victory, was not at the front of the pack of 143 Haras's La Vie Claire team were instead trying to help a teammate who had the best chance of crossing the finish line first. That rider was Steve Bauer, a 36-year-old Canadian from Penzance, Gen. who became known "The Horse" because of the extraordinary determination he showed in his Tour de France debut.

In the end, his teammates unable to keep up with his furious sprint, Basso powered his way to a fifth-place finish alone, leaving him 10th overall in the glaucous 4,306-km race which took place in 23 daily stages. Hinault followed behind closely enough to ensure his overall victory in the Tour, his fifth victory in seven years. But a majority of the 10 million spectators who watched the Tour as it wound rural France would doubtless be the champion's assessment: biggest surprise of the Tour

Bauer said that his performance "has allowed my ability as one of the top contenders." But it was all the more reason to be wary of him, because he is the 10-month-old "baby," it was unclear whether the former world cycling champion Greg LeMond of Nevada, who finished second behind Hinault in the Tour Depute at silver medal at the Los Angeles Olympics, would be able to handle the rigors of Professional Cycling Championship in Barcelona, Spain. Bauer was expected to play a supporting role on the team. His duties included riding in front so the star riders could pedal in the relative wind, and he was also expected to be the warning dog, members of the 13 opposing teams and even giving up his bicycle if one of the leaders had a breakdown. Until Bauer's former cycling coach, Colin Smith, arrived to announce that the "wild card" was going to be the "wild dog."

But Bauer's aggressive style did not allow him to ride passively in the pack. For the first 18 stages he wore the white jersey that signified his status as the leader of the 60 rookies in the field. That gave him the right to abandon his teammates and race for himself.

Despite his coach's warning to conserve energy, he used the opportunity to climb to 65th place overall as the race entered the Pyrenean mountains on the 15th day. Ed Bauer, imprisoned in mountain exile, suffered a setback on the 17-km road that climbs 1,200 m up the notorious Col de Tourmalet, dropping to 14th place overall and losing the white jersey. Colombian Fabio Parra eventually won the honor of not reaching by about a fourth

in the Tour, but Ringer still managed to regain considerable lost ground in the later stages despite the resumption of his team duties.

For Hinault, victory in the world's most arduous and renowned bicycle race marked the crowning achievement of his career to date. Only two of his room-mates—Joop Zoetendyck of France and Rik Van Linden of Belgium—had won the Tour de France before. Hinault, however, had won his reputation as a racing force, which had suffered as a result of tendinitis over the past two years. Hinault's victory will also bring him an expected \$1.3 million in endorsement salaries. But it has not kindled an ambition to break the five-times record held by Eddy Merckx. "I am just going to have fun and make some money," he says. "I don't want to do it to help one of my teammates win."

The man he will help most is undoubtedly LeMond, who became the first American ever to win a Tour stage this year, but whom team officials feared from seeking an overall victory over Hinault. The champion's decision to step aside for his teammate year will also help Canada's star. As a newly proven contender, he will probably become a "puncher on France's most successful professional racing team."

Endorsements and prizes could triple his current \$40,000 (US) salary. But for Basso, the first priority is shaking his claim as one of the cycling world's top stars. To that end, he will be concentrating on next month's world championships, to be held in Italy. Said Basso: "I want to improve on the bronze I won last year. I am going for gold."

—PETER LIPPON, with
ROBERT ZILBER in Paris.



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Rock Hudson and the war against AIDS

At a press conference called to announce her return to television, Doree Day snuggled up to Rock Hudson and smiled for the cameras. But Day's former husband was not enough to capture the vision of the screen couple's glory days. Hudson, 56, looked wan and haggard, barely recognizable as the glamorous leading man who once reigned through a string of gay sex comedies with the original blonde. A spokesman blamed his appearance on the "after-effects of the flu and a couple of sleepless nights." But last week, when Hudson collapsed in the Ritz Hotel in Paris, the story changed. Los Angeles publicist Dale Owen said that Hudson, "a very, very sick man," was seeking treatment for liver cancer. And after two more days of denial and speculation, Hudson's friend Yvonne Callard changed the story again when she said, "Mr Hudson has AIDS [acquired immunodeficiency syndrome]."

With the announcement that Hudson has AIDS, he became the most prominent person so far to be publicly associated with a crisis over the deadly syndrome that has killed about 6,000 people in Canada and the United States. The development also heightened long-standing rumors in the film community that Hudson is a homosexual. But even if Hudson is homosexual, it would not definitely explain the actor's illness. Indeed, there is now mounting evidence that the so-called "gay plague" has moved far beyond the bounds of the male homosexual community.

Only 70 per cent of AIDS patients in Canada are male homosexuals, and last week one of the 17 Canadian women with AIDS died in a Vancouver hospital. A hospital spokesman, who declined to identify her, said that she may have been infected by blood transfusions. AIDS has attacked an equal number of Canadian children under 16, killing nine of them. In addition, doctors in Sydney last week confirmed that four Australian women were infected with the AIDS

virus probably by semen donated by one man to a local Sydney sperm bank. In total, there were 11,811 reported cases of AIDS in the United States as of last week and 274 in Canada.

Hudson's disease was diagnosed a

few days after his collapse.

Many Americans were angered that Hudson had to go to Paris for a drug that has not yet been approved for testing in the United States. In fact, 90 per cent of the AIDS victims treated by the Pasteur Institute are American. But few senior U.S. researchers share the French enthusiasm for AZT. Said Dr. Robert Gallo, head of a major AIDS research team at the National Cancer Institute (NCI) in Bethesda, Md., "I am a little put off by some of the publicity centered around one compound which I would not call very outstanding."

Gallo told Maclean's that several other drugs have 80-95% ability to block reproduction of the AIDS virus. An NCI team has just begun tests on 50 AIDS patients with a substance called zalcitabine. Senior infectious investigator Dr. Bruce Cheson said that the drug has succeeded in temporarily suppressing the AIDS virus and has exhibited fewer side effects than AZT, which can damage liver function and decrease the formation of blood platelets. But, he stressed that so much drug treatment will ever achieve total victory over AIDS. To that end, they are concentrating on basic research, which they hope will lead to a vaccine.

For victims like Rock Hudson, the message is grim: no miracle is at hand to save their lives. But by admitting he has the disease, Hudson has made a gesture that will force a largely complacent world to pay more attention to a devastating modern plague—and perhaps to speed the quest for a cure.

—JOHN BARBER with
BRUCE JANSSEN in Paris,
DAVE SILBERT in Toronto
and DAVID ALLEN in New
Orleans



Day, Hudson before his collapse; Gallo (below) the story changed



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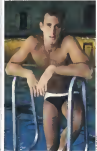
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Heavy metal vocalist **Lee Aaron**, 20, returned to her Toronto base last week from a 40-date European tour to promote her third album, *Call of the Wild*. Still trying to make a break at home, Aaron is scheduled to tour Canada this fall in August, but she will return to Europe in the fall to perform with the rock group *Bliss*. Cynther Cult, Aaron's stuffed-shirted costume and raucous rock 'n' roll performances have earned her such titles as "Metal Queen" and "Rock Goddess." Says Aaron: "I will wear the guys in the front row to look at me. I like being a girl." As for returning to Europe, says Aaron: "If you appear live and really intense people, you know you are going to sell lots of records." She added that her stage personality and her "real-life self" are two extremes. "Lee Aaron can go onstage and do anything she wants to do," she said. But she added that her offstage activities are more downer. Declares Aaron: "I am perfectly content to sit in a park and slatch."

Olympic swimmer **Valter Davis**, 21, who holds one gold and two silver medals and the world record for 200-m freestyle, has become the volunteer spokesman for the Sports for the Physically Disabled foundation. Said Davis: "People will say, 'It's only dangerous to improve his image,' but, to tell the truth, I enjoy it." Furthermore, maintained Davis, "I will get the physically disabled the credits." This week Davis will be leading after swimmer 1 when he competes in the Canadian Nationals in Man-

Davis is a spokesman and a poolside cheer



Aaron is a metal queen's 'real-life self'

treed in preparation for the Commonwealth Games and the world championships next year. Although he cemented a bad-boy reputation as the 1983 Commonwealth Games in Australia when his relay team was disqualified because of an illegal start and he landed over a poolside chair, said the swimmer: "I do not think there would have been such a fuss if **Gusman Elizabeth** had not been there." Unconcerned to competition in the 1988 Olympics, Davis says he will decide after he swims in races next year. "I'll do not win, I am not happy," he said. "I have not been put on this earth to come second."

English masterfilan **Archie Leach** went to Hollywood in 1932, changed his name to **Gary Grant** and had made 22 movies and married four times by the time he wrapped up his career as a 1968 in *Walk Don't Run*. Now 61, Grant is a businessman who sits on several boards of directors and, when he feels

like it, appears onstage in selected locations as the star of *A Conversation With Gary Grant*. New York-based lecture bureau operator **Henry Nelson** says it took her a year and a half to convince the former leading man to tread the boards once more. Said Nelson: "I talked him into doing a Conversation in San Francisco three years ago, but he agreed only because his wife wanted to go there." Nelson says that Grant will next appear in the California cities of Stockton and Hayward because they are close to where his only child, **Jennifer**, 19 (by actress **Open Comedian**) goes to school. Grant, who married his 34-year-old fifth wife, **Barbara Harris**, in 1981, appears in the program after an eight-minute montage of film clips featuring him with such beauties as **Ingrid Bergman**, **Sophia Loren**, **Katharine Hepburn** and **Grace Kelly** and fields such questions from the audience as "Who was your favorite leading lady?" and "How look marvelous, what is your secret?" Perseverer Grant insists he had no favorites in the past and, aside from drinking the occasional glass of red wine, no vices now. Declares Grant, "I just breathe."

Washington-based playwright, journalist and publisher **Clare Boothe Luce**, 85, plans to visit Niagara-on-the-Lake, Ont., Aug. 2 to 4 for the Shaw Festival production of her play *The Women*. The widow of Time magazine founder and publisher **Henry Luce** says she has not seen the play for a long time, although it has been staged worldwide in several languages since its Broadway debut in 1955. Said Luce: "I was not around when it opened then." The Shaw Festival's reputation for proximity to her summer home in Newport, R.I., prompted her plans to visit Canada.



Grant conversations

report, R.I., prompted her plans to visit Canada. Luce wrote six plays, including *Kiss the Boys Goodbye* and *My Darling for Error*, was a war correspondent during the Second World War and served as a Republican congresswoman from 1940 to 1947. "I was a career with whom they were scarier than her's teeth," declared Luce. But she does not write much any more because "everything that has to be said has already been

written." Taking credit for the creation of *People* magazine, a Time Inc. publication, Luce says she is not surprised at its success. She added, "After all, what is history except high-level gossip?"

—EDITED BY BRYAN LAMONTAGNE

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Shakespeare in the park: swinging from a tree and swagging with operatic gusto

THEATRE

Passion under the stars

ROMEO AND JULIET
By William Shakespeare
Directed by Guy Sprung

The urge to perform Shakespeare outdoors has a second historical basis: London's Globe Theatre, where many of Shakespeare's plays first appeared, was a semi-circular space which pitted the actors' voices against the hoarse-burly of an informal audience. More recently, producer Joseph Papp has continued this tradition with Shakespearean productions in New York City's Central Park. This summer Shakespeare audiences watched Shakespeare in a large tent on the South Saskatchewan River. But few such ventures have been as successful as Toronto Free Theatre's *Dream in High Park* series. Now in its third season, the open-air stage is presenting a handsome and entertaining *Romeo and Juliet* free to audiences expected to total 50,000 over its four-week run ending Aug. 11.

The problems of adequate sight and sound in an outdoor setting naturally invite a broad interpretation. Hartling across the stage and swinging from a nearby tree, the cast swaggers through director Guy Sprung's melodramatic production with operatic gusto. Designer Jim Platon's reconstruction of almost an entire street in Verona and Delia Blaisdell's lush costumes look like an Italian Renaissance painting come to life. Realism is definitely the keynote of

the production: pitched battles between the warring Capulet and Montague families feature a flying bucket of water, a horse and a kissing goat.

All that realism suits the play. *Romeo* (Paul Gross) and *Juliet* (Kate Trotter) are still undisciplined teenagers, caught in the adolescent spell of first love. Gaily and puckishly, Gross performs Tarzan-like acrobatics in the balcony scene while never losing his emotional balance. Although Trotter glacially portrays a girl on the cusp of womanhood, her strident gestures verge on the farcical. In the same broad vein, Sprung has illustrated all of Shakespeare's hardly gone with explicit physical detail. That approach tends to blur the play's nuances. David Ferry's deftly directed Mercutio is one of the few characters who seems fully at ease being both lightly glib and downright lewd.

Despite microphones and amplification, some of the actors in supporting roles project and enunciate poorly. But open-air Shakespeare is still as ideal training ground for delivering verse, and the production includes many superb soliloquies. *Dream in High Park* is just as important for its own audience as to appreciate Shakespeare. Without the pomp-and-expense-of the Stratford Festival, thousands can be back on the grass and enjoy the seductive melodies of *Romeo and Juliet* just as audiences did nearly 400 years ago.

—MARK CRAWFORD

FILMS

A colorless cartoon

THE BLACK CAULDRON
Directed by Ted Berman
and Richard Roth

At a cost of \$80 million, *The Black Cauldron* is the first animated picture to be shot in 70-mm movie format. Based on the 1939 A.A. Milne book, it represents the Disney Studio's unabashed attempt to return to the glory days of *Bambi* and *Snow White* and the *Seven Dwarfs*. Once upon a time, in the form of a boy named Taran, most little will to save the world. If the villainous Hanged King gets his hands on the Black Cauldron, with its supernatural powers, his control will be unlimited. He hopes to acquire the cauldron by kidnapping Taran's childhood friend, Howl, to point the way. Predictably, Taran is captured and must use force to stop the Hanged King's megalomaniac. Unfortunately, *The Black Cauldron* is surprisingly bland. Its few elements of classic animation — drama, dread and wonder — are diluted and unrecognizable.

Children may enjoy some aspects of *The Black Cauldron*, but it is not likely to enthrall them. Along with the familiar tale itself, the animation is mediocre. Taran and Howl, the proverbial road to riches, are much too selfless, and there is nothing in their behavior to touch a child's imagination. Only Gurgi, a furry, comically creature who has droopy blue eyes, and the Wre, whose face has a charming expression when someone refers to her as a wren, are mildly interesting. But even these creatures would seem familiar to anyone who regularly watches Saturday morning cartoons.

One of the attractions of animation has been its ability to render the world more vividly than conventional live action, but *Cauldron* has chosen a drab color scheme. It is also irritating when so many of the voices are spoken by British actors with impeccable diction. The movie needs more comedy and, in fact, could have used a few songs. Only one scene delights a character, turned into a frog, leaps and slips around. It might as well be a record with its cleavage. That is the kind of image bad little boys and girls can cherish. Otherwise, *The Black Cauldron* is so well behaved that the audience feels it is still in school — with hardly a recess in sight.

—LAWRENCE POKORNY

CITIES

Public use of private space

Partially paralyzed after suffering two strokes, 74-year-old Harry Leffstein used to spend most of his time at the St. Catharines, Ont., shopping mall known as The Pen (The Niagara Pen Centre). But last fall Dramatica Ltd., the company that owns the mall, banned the crippled pensioner from The Pen. According to Leffstein, mall security officers told him that he was too untidy and unclean to be allowed on the premises. Since then Leffstein, who has consulted a lawyer in his attempt to get the ban lifted, has been back to the mall twice—the second visit resulted in a \$1,000 fine on a trespassing charge. His predicament underlines a modern urban contradiction: malls and other enclosed spaces provide open areas where users can shop, meet friends and pass the time of day but these seemingly public places are in fact private property. With their fountain-clock towers and rows of potted trees, many malls resemble the main streets of 19th-century towns. Still, architect Harry Simpson of the Toronto firm Bacci/Simpson Architects noted, "They are exclusive realms from which buses, rowdy teenagers and people with no evident purchasing power are evicted."

Toronto's Eaton Centre is a case in point. About one million people pass through the mall each week without incident, but security guards bar about 500 people weekly. Said John Garner, spokesman for the developer and landlord, Cadillac Fairview Corp., which also maintains a security at the Union Centre. "Although the mall is described loosely as a public area, it is private property, and management has the right to determine who can use it and to what purpose," Garner says. That seems especially those who promote their properties as "people places"—are overly restrictive when they impose entrance standards. One opponent is Toronto New Democrat Jack Layton, an alderman who has a personal stake in the argument over public use of private space. Later this month he will contest a trespassing charge laid last December while he distributed anti-material at the Eaton Centre. Said Layton, "It is basic that everyone has the right to be in a shopping mall, provided they are not causing any kind of disturbance or damage. Mall owners do not have the right to exclude people because they do not like the way they look."

The issue is really an urban one.

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because the parking lots that usually surround suburban malls seem to provide a clear demarcation between public and private property. But that demarcation is blurred at the Eaton Centre, the enormous West Edmonton Mall and Ottawa's downtown Eldon Centre, where security personnel usually cordon about 100 people each week. Those and other malls across Canada are maddened loudly on the covered pavements of Expo, which also began in public streets, then had roofs added to shelter users from bad weather. Next, in Canada, shopping malls such as Montreal's Alexia Nihon Plaza are built adjacent to public thoroughfares and offer yet another public function by providing access to public transit systems. Said Pierre Lefebvre, a lawyer with the Montreal Urban Trust's Urban Commission: "A sense of service exists where the buildings must guarantee that the public has complete access to the Metro entrances during operating hours. We also hope that building owners will try to present as much continuity as possible between the two properties, by matching the architecture as closely as possible, for example. But the property belongs to them and they administer it as they please."

As well, the Ontario Labour Relations Board also found in June that one mall



Eaton Centre, modern contradictions

landlord may have established an overly narrow definition of "private use." Citing the Charter of Rights and Freedoms, a board official ruled that Cadillac Fairview, which owns 60 per cent of the Eaton Centre (Eaton's sold the Toronto Dominion Bank each own 20 per cent), exceeded its authority when it barred labor organizers from handing out leaflets at the employee entrance to the Eaton Centre's shopping mall. Noting that the board had an obligation to strike an appropriate balance between the private property rights of corporations and the rights of workers to organize, the three-member panel ruled that the union members had every right to talk to employees, provided they did not interfere with normal business. As a result, organizers will now be able to meet workers at that employee entrance before and after regular store hours.

Still, there is not yet a consistent body of legal decisions covering privately controlled mall spaces. For one thing, Ontario Provincial Court Judge Harold Silverstone found last May that two union executives had trespassed in St. Catharines' The Mall after they participated in a rally in support of striking Eaton workers. Mall management policy does not allow demonstrations on the premises. In reaching his decision the judge rejected a defense argument that the privately owned mall had in fact become a quasi-public place. Declared Silverstone: "In my view this is private property. There is nothing in the Charter of Rights and Freedoms that has converted private property to public property." And Cadillac Fairview lawyer William McNaughton said that mall landlords still had the right to impose restrictions on the use of property they owned, leased and rented. Said McNaughton: "The freedom of expression and association does not give you an added right to go on somebody's property to do it."

Indeed, some architects and designers say that the malls fell into the new category of quasi-public space. One of them is Kathleen Madden, the senior director of the Project for Public Spaces, a New York-based nonprofit organization whose "space doctors" have worked on renewal projects in more than 50 urban areas in the United States. Said Madden: "Many shopping centres stage concerts, art shows and other events to attract the public. For them to suddenly turn around and exclude certain people is wrong." But will the new class of legal "public" nullify their screening practices, security forces in many malls will continue to deny access in Canada's like Harry Lefebvre who do not meet their entrance requirements.

—BILLY GLADSTONE, with BRUCE WILLIAMS in Montreal

BOOKS

A graceful epitaph

THE TATTOOED WOMAN

By Marian Engel
(Penguin, 302 pages, \$8.95)

As she lay dying of cancer earlier this year, novelist Marian Engel worked on choosing and arranging the short stories in what was to be her last book, *The Tattooed Woman*. Ten of these 28 stories had appeared previously in magazines such as *McGraw's Anthology*; the rest Engel picked from her unpublished works. All told, they constitute an impressive final statement from one of the most graceful and humane writers in contemporary Canadian fiction. Although Engel never achieved the renown of such contemporaries as Margaret Atwood and Mordecai Richler, she began to enjoy a considerable following after her final novel was a Governor General's Literary Award in 1976. Her hallmark was a style of great naturalism and transparency. And, as *The Tattooed Woman* reveals, Engel was also a particularly thoughtful observer of the often troubled lives of middle-aged women.

Engel's concern for women's problems and triumphs may have originated in her own life, but she was never a narrowly autobiographical writer: the stories in *The Tattooed Woman* focus on a considerable range of characters, and these are about men. Still, a composite sketch does emerge of a woman in her 40s or 50s whose children have flown from the nest and whose relations with her husband—if it exists at all—have reached a crisis. Indeed, her position may be downright tragic. When the unnamed heroine of the title story learns that her spouse is having an affair with a much younger woman, she reacts by cutting designs and pictures into her skin with a razor blade. The visceral impact of her action given "The Tattooed Woman" a brutal directness that is rare in Engel's work. But the tale is not entirely nihilistic. The married woman is so emotionally numb that it is difficult to share her plight, and too many of the story's undercurrents are left unsaid.

Demotic conclusions, however, were not Engel's forte. Her most successful technique was to offer a slice of a character's life, shading it toward only the most delicate and tentative of conclusions. The reader's principal pleasure is in sharing the secrets and textures of another person's existence. "The Jewel of Solihull" is a slow, meandering but



Engel an insightful observer of women

slowly exposing fictional memoir of a family's summer holidays. The tale works because it subtly weaves the sights and sounds of Ontario's three Great Lakes into the solitary inner life of the young heroine. Thus, describing the vacation site 20 years later, the reader recalls that last time in a sudden, moving recollection.

The best story in the collection progresses as subtly as a crane making its way. The narrator of "Could I Have Found a Better Love Than You?" leaves with her husband into the southern Ontario countryside, where she becomes friends with Irita Terryberry, a spinster in her 50s who lives in an old-fashioned new plant hybrid. The narrator, whose own interests have always taken second place to her husband's career, is enthralled by Irita's resounding of her richly independent life. At critical points in the story Engel inserts catalogues of sermons of the new hybrids Irita has created. One, called Delta Robbia, is "gorgeous pale pink, grows at the heart, shading to violet at petal's edge." These blossoms indirectly evoke Irita's appearance and suggest the possibility for growth that lies open to modern women. With that story, and a handful of others, *The Tattooed Woman* proves that Marian Engel's short fiction was as skillful and moving as any in Canadian literature.

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DEPARTMENT OF RECREATION AND CULTURE

Recalling a sad visit to Soweto

By Allan Fotheringham

Some 30 years ago Jack Scott, a Vancouver newspaper columnist, was quite the most beautiful writer then adorning Canadian papers, wrote an award-winning series from South Africa in an admirable phrase, he told how South Africans "kiss their native workers in a compound, like tools in a shed." It's as true today as it was then, and any reporter who has been to that lively and sad land since knows how true it is. For example, what is the fourth-largest city in South Africa? Durban? Kimberley? Port Elizabeth? The fourth-largest city is not really a city at all—until you meet it in the headlines. It is Soweto (South Western Bantu Townships), the compound for blacks 13 km from Johannesburg. Soweto is the land of Johannesburg's gold mines and industries and shops.

There are some one million blacks (the government admits is perhaps 550,000) packed into tiny huts with corrugated tin roofs and outside plumbing. The huts stretch over 35,000 acres, a totally depressing sight, total ghastliness blackness. Three electrified lines run from the city to Soweto. At 6 a.m. the streets of Johannesburg are alive with blacks, pouring from the train station, hurrying—many of them jostling—through the down streets to meet the city for whites. Six days a week, before dark they are whisked away in to keep the city of gold purified until morning.

One sees Soweto this was a few years back—only under the guidance of the authorities. The guide is Sharpe, a pretty, vibrant blonde who could have stepped out of a daydream commercial. "Visitors who wish to see Soweto must first attend a lecture, watched over by the Sharons of the Afrikaner racial philosophy. "A township," Sharpe tells us, "is just another name for a suburb." A township, in fact, is at the heart of the policy of apartheid. "The Bantus" as the government insists on calling the blacks, are to be confined to Bantustans. Separate and not equal.

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The blacks, who make up 72 per cent of the population, have been allocated 13 per cent of the land of South Africa. The whites, 28 per cent of the population, control 87 per cent of the land—including, naturally, all the mineral resources and the prime farmland. The law prevents blacks from owning land in the white areas. They are tools in Johannesburg's shed.

How is Soweto financed? Johannesburg itself controls the monopoly on "Bantu beer." It is made from sorghum and maize grits. It is "very high in vitamins C and K," Sharpe tells us. It is

od is a sharpened bipole spoke through the back of the head. The married work here. Throughout Soweto are huge billboards for Longview cigarettes, showing handsome, beaming white tennis players.

A good case can be made for the argument, pushed by many in that country, that South Africans enjoy the highest standard of living in the world. That is, the 4.6 million standard of living has come to mean "quality of life" and "comfort." On those grounds, South Africa can quite rightly challenge Northern California. There are superb wines, beautiful beaches, hotels in the larger cities of an international standard. Cape Town is one of the half-dozen most beautiful cities in the world. The country is self-sufficient in food and the necessary is built on the artificially created world demand for gold and diamonds. You've never seen so many Mercedes-Benzes in your life.

The standard of living is built on a huge, cheap and one-sided labor force of blacks. They have only recently been allowed unions—unions that are not allowed into politics. It is as if the labor force did not exist—except from 8 to 5.

Over 15 years the Publications Control Board and its predecessor, the Board of Censors, banned 13,000 books, films, newspapers, magazines, calendars, postcards, paintings, records and other objects. When the Control Board was finished with the memoirs, *MPA'S 'E'*, only 55 sentences of the two-hour comedy was left. The anti-apartheid *South African Daily Mail* has now folded, partially because of draconian government press laws.

There are only 2.8 million Afrikaners, descendants of the Dutch who settled three centuries ago about the same time as the Puritans arrived in America. There are 1.7 million white, non-Afrikaners. There are three million "colored" and Asians. There are more than 20 million blacks. Fifty per cent of the 20 million blacks in Soweto are under 20. Nothing I have read or seen or heard in the 13 years since visiting seems to delay the inevitable. By 2000 there will be 28 million black South Africans.



sold to the residents of Soweto at 30 cents a gallon, with the proceeds going to pay for their own housing. Cultural recycling. We are shown the home of a Bantu millionaire. He owns the only cinema in a compound of one million people. There are four swimming pools for one million people. But 17 funeral homes and a housing grove, with a membership of 88. The tin-roofed homes are erected for about \$600. We see the most famous of doctors and "the public relations officer of Key Beer." No matter the economic or educational level, the black must live in Soweto.

We are proudly shown the "Non-Racism Affairs Dept. Sheltered Employment Workshop." Crippled and handicapped workers make fishing nets and wire. The building can hold 118. "Where there are dark little things," Sharpe tells us, "there are dark little murders." Especially on Saturday nights, when the 20-cent-a-gallon Bantu beer flows. One of the favorite meth-



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